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Forth Valley NHS Board Annual Report and Accounts 2024/25

Working together to improve the health and wellbeing of everyone in Forth Valley

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Contents

Page

PERFORMANCE REPORT
OVERVIEW AND CHIEF EXECUTIVE'S STATEMENT 1
PERFORMANCE ANALYSIS 13

ACCOUNTABILITY REPORT
CORPORATE GOVERNANCE REPORT 30
REMUNERATION AND STAFF REPORT 60
PARLIAMENTARY ACCOUNTABILITY REPORT 69

AUDIT REPORT
INDEPENDENT AUDITORS REPORT 71

PRIMARY FINANCIAL STATEMENTS
STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE ***(SOCNE)*** 77
CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(SOFP)*** 78
STATEMENT OF CONSOLIDATED CASHFLOWS ***(CFS)*** 79
CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS EQUITY ***(SOCTE)*** 80

NOTES TO THE ACCOUNTS
NOTE 1 ACCOUNTING POLICIES 81
NOTE 2a SUMMARY OF RESOURCE OUTTURN ***(SORO)*** 99
NOTE 2b NOTES TO THE CASHFLOW STATEMENT 100
NOTE 3 OPERATING EXPENSES 101
NOTE 4 OPERATING INCOME 102
NOTE 5 SEGMENTAL INFORMATION 103
NOTE 6 INTANGIBLE ASSETS 104
NOTE 7a PROPERTY, PLANT AND EQUIPMENT 105
NOTE 7b PROPERTY PLANT AND EQUIPMENT DISCLOSURE 107
NOTE 7c ANALYSIS OF CAPITAL EXPENDITURE 108
NOTE 8 INVENTORIES 109
NOTE 9 TRADE AND OTHER RECEIVABLES 110
NOTE 10 INVESTMENTS 112
NOTE 11 CASH AND CASH EQUIVALENTS 113
NOTE 12 TRADE AND OTHER PAYABLES 114
NOTE 13 PROVISIONS 116
NOTE 14 CONTINGENT ASSETS AND LIABILITIES 118
NOTE 15 EVENTS AFTER THE REPORTING DATE 118
NOTE 16 COMMITMENTS 119
NOTE 17a RIGHT OF USE ASSETS 120
NOTE 17b LEASE LIABILITIES 121
NOTE 18 PFI & SERVICE CONCESSION CONTRACTS 123
NOTE 19 PENSION COSTS 124
NOTE 20 FINANCIAL INSTRUMENTS 126
NOTE 21 RELATED PARTY TRANSACTIONS 130
NOTE 22 THIRD PARTY ASSETS 131
NOTE 23 ENDOWMENTS & INTEGRATED JOINT BOARDS CONSOLIDATION 132

SUPPLEMENTARY INFORMATION
DIRECTION BY THE SCOTTISH MINISTERS 135

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

PERFORMANCE REPORT

OVERVIEW AND CHIEF EXECUTIVE'S STATEMENT

Overview

The purpose of this overview is to give a short summary that provides sufficient information to understand our NHS Board, our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

NHS Forth Valley as a governing body is one of 14 regional Health Boards. Health Boards are responsible for the protection and improvement of their population's health and the delivery of frontline healthcare services. NHS Forth Valley serves a population of about 304,110[1] in a diverse geographical area which covers the heart of Scotland. Our modern acute hospital, Forth Valley Royal Hospital in Larbert is supported by a network of four community hospitals – Stirling Health & Care Village, Falkirk Community Hospital, Clackmannanshire Community Healthcare Centre, Bo'ness Community Hospital – 48 GP Practices, day centers providing care and support for patients with mental illness and learning disabilities and a wide range of community based services.

NHS Forth Valley works in partnership with three local authorities - Clackmannanshire, Falkirk, and Stirling. Each council area has a Community Planning Partnership formed from representatives from health, local authority, key agencies, and other statutory third and private sector organisations. In addition, there are 2 Health and Social Care Partnerships (HSCP's) in Forth Valley providing integrated care to our residents: Clackmannanshire & Stirling Health and Social care Partnership, and Falkirk Health and Social Care Partnership.

For a number of specialist services, we rely on regional arrangements with neighbouring Health Boards. Collaborative working with our NHS colleagues, in particular NHS 24, Scottish Ambulance Service, Healthcare Improvement Scotland, NHS Education Scotland, NHS Golden Jubilee and our work within the regions and nationally, supports our service development and delivery across all areas.

The overall purpose of the NHS Board as a governing body is to ensure the efficient, effective, and accountable governance of our local NHS system and to provide strategic leadership and direction for our system. Good governance ensures we do the right things, in the right way, for the right people in a timely, inclusive, open, and accountable manner. The Health Board system of governance is set out under three main governance themes, notably:

- 'Fiduciary governance' to ensure we have good stewardship of our assets and resources and can demonstrate best value in our decision making.

[1] Mid-2023 population estimates - National Records of Scotland (NRS)

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- ‘Strategic governance’ to allow us to consider our context, operating environment and what our data and patient and stakeholder feedback is telling us to help us when formulating future strategy and plans.
- ‘Generative governance’ to enable us to influence culture through our leadership and sense making role.

Effective NHS Boards articulate an ambition for their organisation whilst managing the risk contained within that ambition and by demonstrating leadership. By bringing together fiduciary, strategic, and generative governance we can operate within a corporate governance framework that takes account of the NHS Scotland Blueprint for Good Governance: second edition[2] which describes the primary functions of governance:

- setting strategic direction, including clarifying priorities and defining change and transformational expectations.
- holding the executive team to account by seeking assurance that the organisation is being effectively managed, and change is being successfully delivered.
- managing risks to the quality, delivery, and sustainability of services.
- engaging with key stakeholders, as and when appropriate.
- influencing the Board’s and the wider organisational culture.

The NHS Board in embracing the roles outlined above is also informed by:

- the external context within which we operate.
- the intelligence which provides trend and comparative information on how our Board is performing.
- dialogue and engagement with our patients, staff, partners, and the people of Forth Valley.

In summary as a Board, we aim to improve outcomes in population health and healthcare whilst demonstrating best value.

The organisational structure of the Board, incorporating all core NHS functions, together with structures for the Falkirk and Clackmannanshire and Stirling Partnerships is set out below, and on the Board’s public website[3].

[2] Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot (www.gov.scot)
[3] NHS Forth Valley – Organisational Structure

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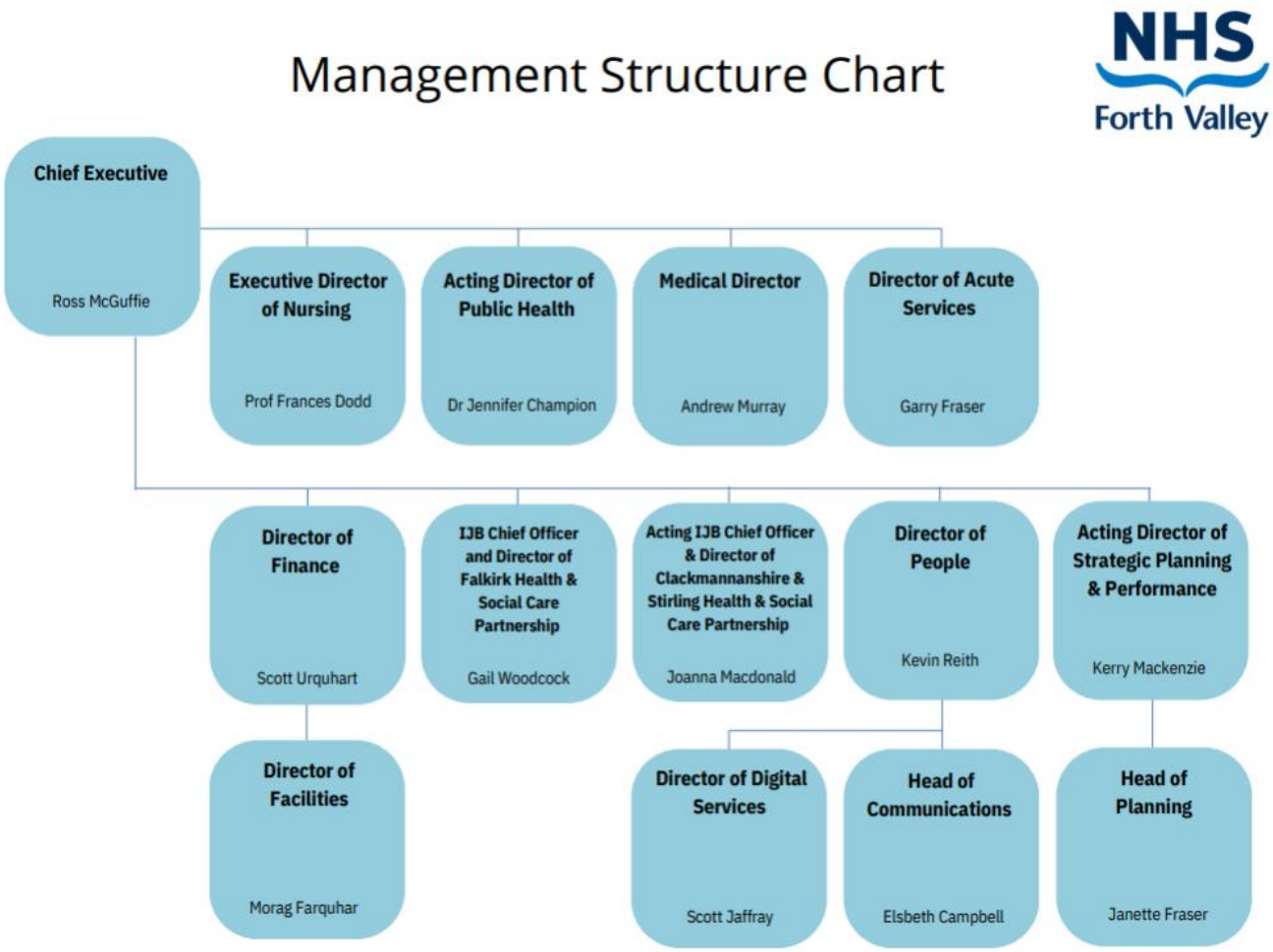
Chart 1: NHS Forth Valley Management Structure



Development of the Health Board's Strategy and Corporate Plan

The Annual Delivery Planning guidance provided to Board by Scottish Government colleagues included key deliverables linked to the 10 updated national recovery drivers, addressing the need to make significant financial savings amid workforce challenges:

- Primary and Community Care
- Urgent and Unscheduled Care
- Mental Health
- Planned Care
- Cancer Care
- Health Inequalities and Population Health
- Women and Children's Health
- Digital Services and Innovation Adoption
- Workforce
- Climate

Supporting Themes:

- Finance and Sustainability
- Value Based Health and Care

The Annual Delivery Plan (ADP) was prepared in collaboration with the Executive Leadership Team and senior leaders in NHS Forth Valley, Clackmannanshire and Stirling

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Health and Social Care Partnership and Falkirk Health and Social Care Partnership. The Scottish Government Directorate for Health Performance and Delivery Leads also supported the development of the ADP, with guidance documents and regular sponsorship meetings. The plan set out in the narrative document, the Forth Valley priorities for 2024/25 aligned to the specific requirements set out in the guidance.

The Delivery Plan 2024/25 was set in the context of the challenging financial and workforce environment and the associated risks to delivery and implementation. The Delivery Plan indicated that the scale of the financial challenge, as set out in the Board's financial plan, was unprecedented and to make the recurring savings needed to achieve financial balance, the Board would need to make significant changes to deliver the levels of savings required. Alongside the impact of the financial situation is the impact of workforce challenges identified across many services in Forth Valley with difficulties in staff recruitment in certain areas and specialties where there are national shortages and an aging workforce. This is coupled with issues around absence management.

The Scottish Government indicated their approval of the NHS Forth Valley Delivery Plan 2024/25 and welcomed the approach in Forth Valley to developing service delivery plans and financial planning in an integrated way. The letter acknowledged the significant and ongoing challenges. In line with Scottish Government guidance, the Forth Valley NHS Board approved the Annual Delivery Plan in July 2024[4].

It is important that NHS Forth Valley takes a Population Health approach in its strategy development. As a population health organisation, NHS Forth Valley aims to improve the health and wellbeing of the whole population, tackle health inequalities, and deliver high value sustainable health and care. We aim to embrace value-based health and care as an approach that enables us to optimise the health of the population from available resources.

A population health and care approach is required if we are to achieve financial sustainability in the longer term. This requires whole-system working as opposed to organisational silos and a population health and care approach which focuses activity across four pillars – the wider determinants of health, health behaviours and lifestyle, places and communities and health and social care.

Work to develop the Population Health & Care Strategy has despite delays continued throughout the year supported by a Population Health and Care Task and Finish Group constituted to:

- engage in shaping and developing the new Population Health and Care Strategy.
- ensure appropriate governance around the development of the Population Health and Care Strategy.

The Task and Finish Group is chaired by the Vice Chair of the Board and reports through the NHS Board.

In March 2025, the Board noted the steps taken and the progress made in developing the Population Health & Care Strategy, and the support and advice from the Task and Finish Group[5]. The Strategy has been developed in line with the national direction and the 10-year Population Health Framework that will be published in 2025. In aligning to the national direction, the Population Health & Care Strategy will be for the period 2025-2035. Following approval of the draft Strategy at a Special NHS Board in April 2025 and a period of

[4] NHS-Forth-Valley-Board-Meeting-Papers-30-July-2024.pdf
[5] NHS Forth Valley Board Meeting Papers 25 March 2025

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engagement, it is anticipated that the Strategy will be presented to the NHS Board for final approval and publication by September 2025.

The local Integration Joint Boards will continue to play a key role in commissioning services in ways that support people to stay and keep well in their own homes and/or communities, and we remain committed to working with partners to deliver improved outcomes for the people of Forth Valley.

The NHS Forth Valley corporate objectives set out the response to key priorities for the organisation in 2024/25. They aligned with our Delivery Plan which described our response to the Planning Priorities detailed in Scottish Government Guidance and provide the link between national and local context. The objectives inform team and individual objectives for 2024/25 and support the overall NHS Forth Valley vision and aim, aligned with NHS Scotland values. They help us convert our vision into more specific priorities and plans whilst setting milestones for success which in turn guide our decision making to optimise health outcomes and maximise care for our population within available resources. Revised Corporate Objectives were approved by the NHS Board in July 2024[6]. The Corporate Objectives 2025/2026 were approved by the NHS Board in March 2025[7].

Corporate Objectives 2024/25

- Leadership: Develop individual and collective responsibility to enable a collaborative approach to system leadership.
- Culture: Model behaviours and a culture where staff and patients feel valued, safe and empowered.
- Governance: Ensure clear accountability to enable effective whole system decision making.
- Transformational Change: Reimagine and redesign the way we work to improve the health of the population of Forth Valley.
- Financial: Deliver financially sustainable services and maximise effective use of resource.
- Performance: Progress incremental and sustainable improvements in our system wide performance.

Accountable Officer's Overview Report

The most significant challenges facing the NHS Board in 2024/25 were and continue to be financial and workforce. The scale of the financial challenge as set out in the Board's financial plans remains unprecedented with a requirement for the Board to make significant changes to deliver the levels of savings required. Alongside the impact of the financial situation is the impact of the workforce challenges, identified across many services in Forth Valley.

The Covid-19 pandemic and its legacy, remains a challenge which our health and care system continues to face, alongside the rising demand for healthcare and increasing complexity associated with the ageing population in Forth Valley. The ongoing impact of the pandemic has brought inequalities into focus, which our Anchor Strategic Plan work seeks to address in collaboration with other local Anchor institutions and in our unique 'Partnership' with the University of Stirling and Forth Valley College. The cost of living and the focus on climate, has informed the Board's continued commitment to sustainability and to reforming and transforming the services we provide, to support and promote innovation and improvements in accessing services and to improve the health and wellbeing of the people who live and work in Forth Valley.

[6] NHS-Forth-Valley-Board-Meeting-Papers-30-July-2024.pdf
[7] NHS Forth Valley Board Meeting Papers 25 March 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

As the Board continued to invest in services to support the redesign, NHS Forth Valley introduced a new process for evaluating service change plans and prioritising these, using agreed criteria. This approach is overseen by the Strategic Prioritisation Review and Implementation Group (SPRIG), with membership from NHS Forth Valley and the 2 HSCPs, including specialists in digital, nursing, medicine, finance, planning and risk and employee representation. The SPRIG process provides a consistent methodology for determining priorities, aligned to value-based health and care.

As we look to the future and finalise our Population Health and Care Strategy, we will continue our focus on prevention, early intervention, supporting people to keep well and stay well, whilst tackling inequalities. Primary care and staff wellbeing will continue to be at the core of our plans to stabilise and reform services. The NHS Renewal Plan underpinned by the Operational Improvement Plan[8], a 10 Year Population Health Framework and a Service Reform Framework will support our planning and transformation approach. Boards are being asked to adopt a more collaborative ethos within NHS Scotland, with Boards urged to adopt a systematic approach to balancing local delivery with the broader responsibility of meeting the needs of larger populations beyond their geographical boundaries in the delivery of planned care. NHS Forth Valley has a history of providing mutual aid to other Board areas with over 20,000 procedures already delivered in this manner. We will continue to collaborate regionally and nationally to support this agenda.

We have had continued success in delivering innovation and digital improvements, with the use of technology within the Board and we will ensure we continue to support the acceleration of digital services and innovation to improve patient outcomes and experiences, support value-based health and care and deliver cost improvement, where appropriate.

Stage 4 Escalation

On the 23rd of November 2022, NHS Forth Valley was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework (now Support and Intervention Framework) for concerns relating to Governance, Leadership and Culture. Concerns were also raised in relation to the completion of integration of health and social care in addition to a range of performance-related issues, notably in GP Out of Hours services, unscheduled care, and mental health, specifically, Child and Adolescent Mental Health Services and Psychological Therapies.

Stage 4 escalation brought direct formal oversight and coordinated engagement from Scottish Government in the form of an Assurance Board chaired by Christine McLaughlin, Director of Population Health to support NHS Forth Valley in providing focus and direction through strong leadership and effective governance and improved culture to deliver the sustainable changes and improvements required.

Through three iterations of the Assurance and Improvement Plan collaborative work continued to progress with improvements in both usual and new business processes. Work across all of the priority areas was embedded in existing and future plans and business arrangements, to support continuous improvement and progress changes across the whole system. A comprehensive progress update was presented to the NHS Board in September 2024[9]. It illustrated the work that had been undertaken across the whole system to elicit sustainable improvements and outlined the impact of this work by describing what is different under the areas of Culture, Leadership, Governance, Integration, Healthcare Improvement Scotland and Urgent and Unscheduled Care.

[8] NHS Scotland operational improvement plan - gov.scot
[9] NHS Forth Valley Board Meeting Papers 24 September 2024

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

On 1st October 2024, NHS Forth Valley was moved to stage 3 on the Support and Intervention Framework[10] following the considerable progress made against the actions and measures outlined in our improvement plan. While the Assurance Board has been stood down, it is recognised that we require to continue to build on the changes and improvements made and we continue to work with Scottish Government colleagues to monitor progress.

Elective Care

The Forth Valley Planned Care Plan seeks to improve waiting times and reduce the numbers of people waiting, within the existing resources available to Forth Valley. A detailed Planned Care Plan has been prepared by NHS Forth Valley, in line with the guidance and the template provided by the Scottish Government. The plan focuses on efficiency, workforce optimisation, and digital innovation to improve care delivery while balancing national support obligations.

NHS Forth Valley is making good progress in terms of delivering a reduction in the number of outpatients waiting beyond 12-weeks. This success however has created a build-up in the number of inpatient and day cases waiting, impacting on delivery of our Treatment Time Guarantee. It is anticipated however that within the next year to 18 months this wait will be below 12 weeks.

A comprehensive programme of work around the benefits realisation from the introduction of productive opportunities is in progress. For example, Active Clinical Referral Triage (ACRT) has been rolled out across 22 specialties i.e., 85% coverage. Roll out will continue in 2025/26. Patient Initiated Review (PIR) continues to be rolled out across specialties. Patient Focussed Booking (PFB) has been implemented across the majority of specialties with significant benefits realised. NHS Forth Valley has an established theatre programme, which includes scheduling and optimisation of theatre lists, reducing fallow time, INFIX roll out, pre assessment improvement, British Association of Day Surgery (BADS) compliance and reduction of overnight stays.

NHS Forth Valley has implemented Surgical Care Practitioner roles and works on high volume low complexity procedures in minor operations, freeing up main theatre capacity for more complex cases. The suggested increase of 7% of outpatient activity will have already been gained in 2024/25, through robust list management which will continue throughout 2025/26. The potential to further increase theatre efficiency and productivity will be realised through 2025/26 following a productive project which has identified some quick wins and medium-term actions which will be taken forward. Interrogation of theatre metrics will ensure theatre capacity is maximised.

Digital solutions continue to be explored and implemented. We are implementing a Patient Hub communication system via an on-line portal. The Patient Hub will give patients the opportunity to access their own outpatient information by digitising the booking of appointments, supporting a paper light process and care closer to home. A waiting well module launched the Hub in January 2025, providing automated SMS messages to patients on current waiting lists, to ensure they still require their appointment and can give an option for escalation should their condition have deteriorated. The outpatient module is due to go live at the end of May for Maxillofacial Services in the first instance with a plan for roll out across all services in place. Pre-op assessment and initiation of rehabilitation processes will follow. This system will support improved access for patients with the intention to reduce DNAs and potential to provide sign posting and sharing of information for ACRT, PFB and PIR.

[10] Change to health board status - gov.scot

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Diagnostics

There is an increase in diagnostic capacity following the installation of a third CT scanner at Forth Valley Royal Hospital in March, adding capacity for 6,500 additional scans per year from 2025/2026 and beyond. This will help to address the increasing demand for diagnostic imaging providing crucial diagnostic support for a range of conditions, including cancer, trauma and cardiovascular diseases.

A plan has been submitted to Scottish Government which seeks access to additional MRI and Ultrasound capacity as well as additional reporting capacity.

An Endoscopy recovery plan has been agreed, supporting improvements in efficiency and productivity. Double Q-fit and Transnasal Endoscopy (TNE) will be implemented, and it is planned to increase CT colonography, reducing endoscopy demand.

Digital Pathology is due to be implemented in 2025/2026. This will provide a platform through which tests and results can be shared electronically and align NHS Forth Valley with other Health Boards across NHS Scotland.

We have received Scottish Government non-recurring funding this year to develop and implement the rapid cancer diagnostic service. This will be a GP-led service. Feedback from other Board areas highlights that Rapid Cancer Diagnostic services have been successful in providing quicker diagnosis and speedier access to definitive treatment for patients whose symptoms do not fit with one of Urgent Suspicion of Cancer (USC) pathways, but for whom the referring GP has a concern that the patient may have cancer.

Cancer

The focus within Forth Valley cancer services is the improvement of enhanced vetting, diagnostics, capacity for outpatients and dynamic tracking and escalation. Revision of the urgent suspicion of cancer (USC) referral guidelines will provide primary care and secondary care with further information on which patients should be referred through the USC route, with the aim of diagnosing patients earlier resulting in a requirement for treatments that are less invasive.

The breast service has reviewed its capacity and demand and created sufficient capacity to maintain the wait for patients initially to be seen and treated within the waiting times standards however the colorectal and urology services both face capacity challenges to meet the standards. The urology service is progressing plans to increase the number of staff who can perform transrectal ultrasound scan to support resilience and flexibility. In addition, urology will increase the number of theatre sessions available to support an improvement in the achievement of the 62-day and 31-day pathways.

The Endoscopy service is reviewing demand with updated Urgent Suspicion of Cancer referral guidelines being published in 2025/2026. With the third CT scanner coming online additional resource to support CT colonoscopy is being explored.

As more Systemic Anti-Cancer Treatments (SACT) are approved for use nationally and patients are living longer with cancer, oncology new and return patients are increasing. While there has been workforce and service redesign, capacity is not growing at the same rate as demand, presenting major challenges for oncology services in Scotland. NHS Forth Valley is participating in and working closely with the national and regional review of Oncology services.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Unscheduled Care

Being treated in a timely manner in the Emergency Department (ED) is important for both clinical outcomes and the experience of patients: ED or A&E waiting times are often used as a barometer for overall performance of the NHS and social care system. Improving performance against the 4-hour emergency access standard remains challenging.

A whole system collaborative approach has been taken to developing and implementing the work streams set out as part of the Urgent and Unscheduled Care (UUSC) programme. Using the Centre for Sustainable Delivery (CfSD) national benchmarking report, key areas for focus were identified with an improvement plan in place linked to a range of performance measures. Actions outlined in the UUSC delivery plan align with the CfSD improvement plan and the Discharge Without Delay national collaborative work with Forth Valley fully engaged.

The Discharge Without Delay Collaborative Programme is a whole-system programme for frail older people. Both HSCPs have signed up to the principles of the Discharge without Delay (DWD) programme. This incorporates 4 key workstreams to be delivered around frailty at the front door, integrated discharge hubs and planned dates of discharge (PDD), discharge to assess, home first and community hospital and intermediate care resources.

Falkirk HSCP is leading efforts to develop and implement an integrated discharge service as part of a whole-system approach. The goal is to establish a coordinated, standardised team that supports safe, effective, and timely hospital discharges to home or a homely setting. This service will provide a single point of contact, streamline patient pathways, and reduce duplication of effort. By enhancing coordination and leadership in discharge management, the approach aims to improve patient experience and continuity of care.

Integration

A pan Forth Valley review of integration schemes was completed in 2024 providing an opportunity to further strengthen integrated services and ensure accountabilities and responsibilities. The review was facilitated and led by an independent expert. The Falkirk Integration Scheme has been approved by all relevant parties however the Clackmannanshire & Stirling Integration Scheme has still to be fully approved with Clackmannanshire Council yet to indicate their agreement.

Mental Health

The need for a new strategic plan for mental health & wellbeing that tackled existing, new, and emerging mental health needs of Forth Valley residents and their unpaid carers was identified. The draft Forth Valley Mental Health & Wellbeing Strategic Commissioning Plan sets out the vision and strategic priorities that will ‘Promote mental health and wellbeing for everyone, enabling every person to live well in Forth Valley’. The plan takes a whole system population health approach to improving mental health and wellbeing with a range of priorities that focus on preventative interventions to tackle the root causes affecting mental health and wellbeing. The draft plan is currently in its second phase of engagement with stakeholders with approvals by both IJBs and NHS Forth Valley Board anticipated in August.

Notwithstanding the ongoing actions to improve waiting times there remains a mismatch between capacity and demand, with data evidencing a significant increase in referrals for psychological therapy. Psychological Services have fewer staff to meet greater demand, therefore delivering significant and sustained improvement in waiting times is likely to be extremely challenging.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

The CAMHS 18 Week Referral to Treatment target has consistently been met since February 2024. Scottish Government stepped down the enhanced support in October 2024 however we continue to meet and engage with them. Clinical and operational activity data is reviewed frequently to enable capacity to be flexed to identify fluctuations in demand and meet the waiting times targets for new patients. To maintain performance, the service will continue using a Value Based Health & Care Approach.

Primary Care

NHS Forth Valley continues to maximise the Primary Care Improvement Plan (PCIP) funding to provide additional capacity in primary care through the Multi-Disciplinary Team (MDT). We continue to review and develop Enhanced Services to provide secondary care or specialist services via GP Practices. For example, opiate patients are supported in the community by prescribing and monitoring through their GP Practice.

Scoping of community diagnostic hubs is underway and will be progressed in 2025/2026 and we will roll out diabetic foot checks via the Community Treatment and Care (CTAC) services with this work well advanced in Forth Valley. Prescribing initiatives have continued to promote greater value for money throughout 2024/25 with successes around drug switches. This work will continue in 2025/26.

There is greater focus on primary care sustainability and primary care risk identification with clearer governance routes and Board level oversight. A review of primary care governance has been undertaken and recommended reinstatement of a programme board approach to support clear reporting and escalation. A GP Primary Care Sustainability Update Report was presented to the NHS Board in March 2025[11].

Out of Hours

In 2022 Sir Lewis Ritchie, author of the National Review of OOH Services in Scotland (2015) and appointed representative of the Scottish Government raised concerns regarding the resilience of Out of Hours (OOH) services in Forth Valley. This led to the creation of a service redesign and sustainability project which included securing input from Sir Lewis and his team agreeing an improvement plan to address the concerns identified. This was approved and commenced in November 2022. Monthly reporting was established.

An integrated, multidisciplinary approach is the priority for the OOH Service with the foundations for this firmly established. The OOH service was formally transferred to Falkirk HSCP in line with the Integration Scheme in December 2023.

Following a review in March 2024 Sir Lewis acknowledged the improvements that had been achieved along with the plans in place to complete the outstanding actions. This led to the monthly updates moving to quarterly updates. In December 2024 Sir Lewis advised that OOH had achieved substantive and significant improvements and as such he formally wrote to NHS Forth Valley confirming that all further scrutiny of the service would be stood down.

A further letter was received by NHS Forth Valley CEO from Rebecca Charmers, OOH unit head at Scottish Government confirming that their role in the 2022 review had come to end.

In March 2025, the Board received an Out of Hours Update including Patient and Staff Story detailing the progress made. The letters from Sir Lewis Ritchie and Rebecca Chalmers are included within the paper as an appendix[12].

[11] NHS Forth Valley Board Meeting Papers 25 March 2025
[12] NHS Forth Valley Board Meeting Papers 25 March 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Workforce

The impact of workforce challenges is identified across many services in Forth Valley. The ongoing difficulties in recruiting staff for certain specialities where there are national shortages and the need to prepare in areas with an older workforce profile where it is known staff are likely to retire in the next few years will require us think and work differently. Increasing demand for health and care services and a growing local population pose many challenges across acute, community and primary care services. This, in turn, means staff are required to meet the healthcare needs of local communities across Forth Valley.

Work has taken place to better understand gaps in recruitment and the challenges of recruitment and retention in health and social care by collating and analysing workforce data to better understand the future needs of our workforce. This work will provide us with the foundation to develop our workforce profile to align with our NHS Forth Valley Population Health & Care Strategy which will be approved later this year. From this we will develop our approach to workforce planning through our enabling People Strategy to effectively support delivery of our strategic ambition. We will work collaboratively with Scottish Government and other strategic partners to create the conditions for change which will benefit our workforce in terms of their staff experience which will ultimately deliver the best health and care to our population.

NHS Forth Valley is committed to maintaining an appropriately trained and developed workforce who, in their everyday interactions with patients, their families and each other, display our NHS Forth Valley values and behaviours. We continue to develop innovative and new ways of working which have been enhanced by digital solutions. New roles continue to emerge that will enable different pathways of care. In common with other Health Boards, NHS Forth Valley faces many challenges in relation to the delivery of ongoing affordable health care, balancing efficiencies with providing support to ensure the health and wellbeing of our staff.

Attendance Management continues to be an area of focus for NHS Forth Valley, with a number of ongoing actions in place to provide support in this area. In 2023, NHS Forth Valley formed an Attendance Management Oversight Group and Action Plan to improve attendance across the organisation. Key actions to date include:

- Focus on Return to Work: Encouraging managers to meet the 2-day KPI for returning staff.
- 4-Day Trigger Alert: National discussions are advancing on implementing a 4-day alert for short-term absences (already in place for long-term absences).
- Dismissal Training: Training for all managers involved in dismissals was completed in November 2024.
- Absence Audits: Regular audits are conducted, and findings are shared for learning.
- Health and Wellbeing: A Health and Wellbeing Toolkit was launched in 2025 and will continue to be developed.
- Able Futures: Working: Working towards implementing The Access to Work Mental Health Support Service provided by Able Futures on behalf of the Department for Work and Pensions.
- Attendance Reporting: Monthly Workforce Performance Reports highlight attendance trends, with detailed data available at the Directorate/HSCP and departmental level through Pentana. Through Pentana and other means we will continue to analyse absence data and feedback to understand its causes and effects, using these insights to implement preventative measures.

The Occupational Health Service (OHS) provides clinical services and advice to support attendance. Additionally, the OHS's Counselling and Psychology team runs a Peer Support

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

programme for early emotional support to staff in crisis. Coaching models are also available to improve confidence, motivation, and manage change, ultimately supporting attendance.

In 2025/2026 we will focus on achieving sustained and ongoing improvements to enhance staff attendance at work. Prioritising staff health and wellbeing remains a key objective. A comprehensive staff health and wellbeing managers' toolkit, addressing key topics such as making wellbeing a priority and supporting emotional, mental, physical, social, and financial health, will continue to be developed. In response to staff feedback, our efforts will also focus on addressing basic needs in the workplace.

We have completed the implementation of eRostering across all nursing areas with the introduction of both eRostering and safe care. Progress has been made in some of the Allied Health Professional (AHP) areas and a number of other clinical areas with work ongoing in pharmacy, radiology, immunisation services and prisons. Work has been completed in paediatric physiotherapy, orthotics, speech and language therapy, podiatry and occupational Therapy. In April 2025 we will begin the implementation of all medical rosters and the introduction of Allocate Rota for resident doctor monitoring. With the continuation of funding for year 2025/26 the rostering programme aims to be completed by 31st March 2026 for all Nursing, AHP, Clinical other, medical areas and non-clinical services.

To reduce agency reliance and expenditure NHS Forth Valley has committed to a wide recruitment and retention programme. There is an annual Newly Qualified Recruitment programme which has successfully attracted a high number of newly qualified staff nurses over the past few years. This work continues and has been supported by regular contact of senior nursing team, university staff and a series of conversations with students.

Agency nursing is at zero use since 6th November 2024. NHS Forth Valley has an All-staff bank that covers all workforce groups across NHS Forth Valley. All national enablers have been adopted, and NHS Forth Valley continues to engage with the national Supplementary Staffing Task and Finish Group on agency reduction. AHP agency is at zero use with other clinical services using framework only agency from 1st April 2025.

Medical services continue to use agency locum medical staff however we have achieved a shift to 100% supply from framework agencies only and can report we are 100% direct engagement compliant. The Medical Workforce Governance Group which was established in September 2024 will lead the plan to have improved governance around medical locum use with improved authorisation and escalation pathways in place.

Culture Change & Compassionate Leadership

The Culture and Compassionate Leadership Programme has been taken forward in a number of separate phases. This started with awareness raising, led by the Senior Leadership Team, who highlighted the new programme at meetings and walk rounds across the organisation during April 2023.

It was followed by a discovery phase from May to July 2023 where work was carried out to find out what staff across the organisation thought and felt about working in NHS Forth Valley to help identify the good and the not so good. Staff were invited to participate in a range of different ways, including 1:1 interviews as well as focus groups, drop-in sessions and surveys to give as many people as possible the opportunity to contribute and share their views.

The feedback and information from the discovery phase was reviewed during August and September 2023 to help identify key themes and priorities. Information already gathered

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

from recent staff and patient surveys and events, the development of our Quality Strategy, complaints, positive feedback and incident reports were also considered as part of this review.

Work is now underway to take forward 8 key projects using the output from the solution design workshops, which took place during May and June 2024.

The programme of 8 projects has been launched in 2 phases with Phase 1 mobilisation December 2024 to March 2025 focussing on the first 4 projects, namely: Safe, Well and Heard, Live the Values, Invest and Celebrate, and Great Communication. The first mobilisation workshop for phase 2 took place on 8 May with Phase 2 launching the projects around Attract and Retain, Develop our Leaders, Get Connected, and Learning and Continuous Improvement.

Key initiatives for 2025/2026 include fostering a psychologically safe culture, addressing inappropriate behaviours, improving personal development plans (PDPs), enhancing recognition and reward, supporting colleagues with health or caregiving needs and a focus on developing leaders and managers to consistently show compassion, creating a safe and positive work environment, which can lead to a reduction in absenteeism.

The improvement areas were identified by colleagues as key factors impacting their wellbeing at work. Although it's challenging to directly link these recommendations to attendance data, we are confident that the evidence supports these initiatives, which will help create a positive work environment that encourages attendance and enables employees to thrive.

PERFORMANCE ANALYSIS

Performance Analysis – Key Non-Financial Targets

The overall approach to performance within NHS Forth Valley underlines the principle that performance management is integral to the delivery of quality improvement and core to sound management, governance, and accountability. During the year a Performance Report has been presented at each Board meeting. The purpose of the Performance Report is to provide information and assurance in respect of the overall performance of Forth Valley NHS Board.

The Performance Report considers key monthly metrics in relation to system-wide performance as we continue to work to stabilise services and provides a month-on-month progress overview. Included within the metrics are the eight key standards that are most important to patients: 12-week outpatient target, diagnostics, 12-week treatment time guarantee, 62-day and 31-day cancer targets, access to Psychological Therapies, access to Child & Adolescent Mental Health Services and the 4-hour Emergency Access Standard. The Performance Report is under constant review with additional metrics included to ensure the provision of a detailed system-wide picture.

NHS Forth Valley remains committed to reporting on outcome measures and does this through its performance scorecard reporting e.g., HSMR and patient safety, patient experience, and access to, or timeliness of care.

Table 1 provides an overview of key non-financial performance measures comparing the March 2025 position with the March 2024 position. In addition, details of performance in relation to our 2024/2025 planned care activity remobilisation trajectories are highlighted.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 1: Key Non-Financial Performance Measures Overview

MEASURE	DATE	Mar-25	Mar-24
UNSCHEDULED CARE			
Emergency Department % compliance against 4 hour access target	Apr-24 - Mar-25	**48.2%**	**47.0%**
NHS Forth Valley Overall % compliance against 4 hour target	Apr-24 - Mar-25	**61.2%**	**56.8%**
Minor Injuries Unit % compliance against 4 hour target	Apr-24 - Mar-25	**99.6%**	**99.8%**
OUTPATIENTS			
Total Number of New Outpatients Waiting (Month)	31-Mar-25	**14,019**	**14,834**
Number of New Outpatients waiting over 12 weeks (Month)	31-Mar-25	**3,322**	**5,725**
Compliance with agreed remobilisation activity plan trajectory	Apr-24 - Mar-25	**109%**	**99%**
DIAGNOSTICS			
Percentage waiting less than 42 days - Imaging (Month)	31-Mar-25	**59%**	**36.2%**
Number waiting beyond 42 days - Imaging (Month)	31-Mar-25	**2,519**	**6,580**
Compliance with agreed remobilisation activity plan trajectory	Apr-24 - Mar-25	**126%**	**96%**
Percentage waiting less than 42 days - Endoscopy (Month)	31-Mar-25	**85.7%**	**63.1%**
Number waiting beyond 42 days - Endoscopy (Month)	31-Mar-25	**105**	**281**
Compliance with agreed remobilisation activity plan trajectory	Apr-24 - Mar-25	**129%**	**155%**
CANCER			
62 Day Cancer Target - Percentage compliance against target (Quarterly)	31-Mar-25	***71.0%**	**78.0%**
31 Day Cancer Target - Percentage compliance against target (Quarterly)	31-Mar-25	***99.3%**	**97.7%**
INPATIENTS			
Total Number of Inpatients/Day cases Waiting (Month)	31-Mar-25	**6,747**	**5,275**
Number of Inpatients/Day cases waiting over 12 weeks (Month)	31-Mar-25	**4,177**	**2,899**
Compliance with agreed remobilisation activity plan trajectory	Apr-24 - Mar-25	**100%**	**119%**
MENTAL HEALTH			
Psychological Therapies - 18 week RTT compliance (Monthly)	31-Mar-25	**79.9%**	**73.5%**
Psychological Therapies - 18 week RTT compliance (Quarterly)	31-Mar-25	***73.8%**	**68.4%**
Child & Adolescent Mental Health Services - 18 week RTT compliance (Monthly)	31-Mar-25	**98.4%**	**95.5%**
Child & Adolescent Mental Health Services - 18 week RTT compliance (Quarterly)	31-Mar-25	***99.1%**	**92.8%**

** figures for the quarter ending March 2025 are provisional*

Unscheduled Care

In 2024/25, compliance with the Emergency Access Standard (EAS), 95% of patients should wait less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment, is noted as:

- Minor Injuries Unit 99.6%
- Emergency Department 48.2%
- Forth Valley overall 61.2%

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Minor injuries performance has remained better than the standard and there has been an increase in the percentage of patients waiting less than the 4-hour EAS overall.

An intervention plan has been developed to support improvement in the 4-hour EAS performance on the Forth Valley Royal site. This is being progressed in conjunction with the work being undertaken through the Urgent and Unscheduled Care Delivery plan. A number of immediate actions are being taken including increased focus on the discharge lounge with more patients to be identified and received earlier in the day, and direct assistance through the Centre for Sustainable Delivery.

Frailty cohorting is in place in the Acute Assessment Unit, the Manchester triage[13] is now being undertaken in the Emergency Department, and discharge without delay work continues. Key performance indicators and trajectories are in place to support monitoring and management of performance in this area.

Outpatients

The total number of patients waiting, and the number of patients waiting beyond 12 weeks for a first appointment has decreased or improved comparing March 2025 with March 2024.

- Total number of patients waiting for a first outpatient appointment at the end of March 2025 was 14,019 compared with 14,834 at the end of March 2024.

- The number of patients waiting beyond 12 weeks for a first outpatient appointment at the end of March 2025 was 3,322 compared with 5,725 at the end of March 2024.

- From April 2024 to March 2025 NHS Forth Valley delivered 74,486 outpatient appointments against the remobilisation plan trajectory of 68,475 appointments. This is 109% compliance against the plan agreed with the Scottish Government.

Diagnostics

Performance against the 6-week standard has reduced in both imaging and endoscopy services however endoscopy activity being better than that planned.

Imaging:

- The number of patients waiting beyond 6 weeks in March 2025 for imaging was 2,299 compared with 6,580 patients in March 2024.

- From April 2024 to March 2025 NHS Forth Valley delivered 45,044 imaging appointments (x- ray, CT, MRI, and non-obstetric ultrasound) against the remobilisation plan trajectory of 35,840 appointments. This is 126% compliance against the plan agreed with the Scottish Government.

Endoscopy:

- The number of patients waiting beyond 6 weeks in March 2025 for endoscopy (upper and lower gastrointestinal endoscopy, colonoscopy, and cystoscopy) was 105 compared with 281 in March 2024.

- From April 2024 to March 2025 NHS Forth Valley delivered 7,591 endoscopy

[13] The Manchester Triage System is a clinical risk management tool used by clinicians to enable them to safely manage patients flow when clinical need exceeds capacity.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

appointments against a plan of 5,900 appointments. This is 129% compliance against the plan agreed with the Scottish Government.

Cancer

The target is, 95% of patients referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral and, 95% of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat.

62-day cancer target

- In the quarter ending March 2025, 71.0% of patients with a suspicion of cancer were treated within 62 days compared with 78.0% in the quarter ending March 2024.

31-day cancer target

- In the quarter ending March 2025, 99.3% of patients were treated within 31 days of decision to treat compared with 97.7% in the quarter ending March 2024.

Cancer services remain a priority for scheduled care. All Urgent Suspicion of Cancer referrals are tracked to support achievement of the 31-day and 62-day access targets. In areas where this is not reached priority measures are taken to address this. A robust monitoring system has been established to identify reasons for breaches and ensure a plan is in place to prevent further non-compliance.

Inpatients

The total number of patients waiting, and the number waiting beyond 12 weeks for inpatient or daycase treatment has increased comparing March 2025 with March 2024.

- Total number of patients waiting for inpatient or daycase treatment at the end of March 2025 was 6,747 compared with 5,275 at the end of March 2024.

- The number of patients waiting beyond 12 weeks for inpatient or daycase treatment at the end of March 2025 was 4,177 compared with 2,899 at the end of March 2024.

- From April 2024 to March 2025 NHS Forth Valley delivered 10,625 inpatients/daycases against the remobilisation plan trajectory of 10,644 appointments. This is 100% compliance with the plan agreed with the Scottish Government.

Mental Health

Psychological Therapies

Psychological therapies refer to a range of interventions, based on psychological concepts and theory, which are designed to help people understand and make changes to their thinking, behaviour, and relationships in order to relieve distress and to improve functioning. The target applies specifically to psychological therapies for treatment of a mental illness or disorder.

The Psychological Therapies target is, 90% of patients to start treatment within 18 weeks of referral. There has been a reduction in performance comparing March 2025 with March 2024.

- In March 2025, performance against the 18-week referral to treatment standard was 79.9% compared with 73.5% in March 2024.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- In the quarter ending March 2025, 73.8% of patients were seen within the 18-week referral to treatment standard compared with 68.4% in March 2024.

Performance against the standard has consistently been above 60% however the 90% target has not been reached. As patients that have waited a long period of time, and have already waited longer than 18 weeks, are treated the target will not be achieved. Once the long waiting patients are seen the target will come back into line.

Child & Adolescent Mental Health Services (CAMHS)

CAMHS develop and deliver services for those children and young people (and their parents/carers) who are experiencing the most serious mental health problems. They also have an important role in supporting the mental health capability of the wider network of children's services. CAMHS are usually delivered by multidisciplinary teams including nurses, psychiatrists, psychologists, social workers, and others.

The CAMHS target is, 90% of patients to start treatment within 18 weeks of referral. The standard was met in February 2024 and has been maintained.

- In March 2025, performance against the 18-week referral to treatment standard was 98.4% compared with 95.5% in March 2024.
- In the quarter ending March 2025, 99.1% of patients were seen within the 18-week referral to treatment standard compared with 92.8% in the quarter ending March 2024.

The 18-week referral to treatment standard will continue to be monitored closely to ensure continued LDP compliance.

Delayed Discharges

Delayed discharge refers to the process when a person who is clinically ready for discharge from inpatient hospital care continues to occupy a hospital bed beyond the ready for discharge date. The ready for discharge date is a clinical decision, taken in collaboration with the wider multi-disciplinary team, and is the point at which the person no longer requires treatment in a hospital setting. If that person is then still in hospital after midnight at the end of the ready for discharge date, then they are classed as a delayed discharge.

There is a reduction in the delayed discharge position at the March 2025 census[14] compared to March 2024.

Table 2: Delayed Discharges March 2025 compared to March 2024

Delay Type	March 2025	March 2024
Standard Delays	74	90
Standard Delays waiting over 2 weeks	53	28
Code 9 exemptions	45	54
Total delays	119	144
Bed days occupied by delayed discharges	2,858	3,411

The reasons for delay are broken down under 3 broad headings, health and social care reasons, patient/carer/family related reasons, and code 9 cases. Health and social care reasons are where the delay is as a result of the patient undergoing an assessment or waiting for care arrangements, a care home place, funding or transport. Patient, carer, or

[14] The delayed discharge census refers to a snapshot count of patients who are medically ready for discharge but whose discharge is being delayed, typically due to logistical or social care issues.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

family related reasons are where the delay sits with the person themselves, their carer or family. Code 9 refer to complex delays e.g., people waiting place availability in a specialist facility, people delayed due to requirements of the Adults with Incapacity legislation, and people awaiting completion of complex care arrangements.

As well as the potential impact to the health and wellbeing of a patient as a result of a delay in discharge, delays have an impact across the healthcare system in respect of patient flow from the front door of the hospital through to admission and beyond. Delayed discharges are being addressed in partnership as part of the system-wide focus on the 4-hour emergency access standard.

Workforce

Absence remains above the locally agreed 4.5% target with an increase noted at March 2025 compared with March 2024.

- In March 2025 the sickness absence rate was 7.05% compared with 7.00% in March 2024.
- The 12-month rolling average April 2024 to March 2025 is 7.75% compared with 7.15% in the period April 2023 to March 2024

The management of absence and the improvement of staff wellbeing remain key priorities for NHS Forth Valley. Absence is a focus of the Directorate Performance Reviews and is included within the Executive Leadership Team objectives. Issues in relation to workforce are a key focus of the Staff Governance Committee and Area Partnership Forum.

Performance Summary

Notwithstanding the challenges in delivery of unscheduled care, NHS Forth Valley has consistently performed well in the provision of scheduled care despite the increase in the number of patients waiting in some areas. This is evidenced through the level of activity provided against the plans agreed with Scottish Government colleagues. NHS Forth Valley has also been supporting other NHS Boards with a programme of mutual aid and has to date provided around 20,000 procedures.

Focus will remain on all areas of performance with particular attention on the eight key standards that are most important to patients namely, 12-week outpatient target, diagnostics, 12-week treatment time guarantee, 62-day and 31-day cancer targets, access to Psychological Therapies, access to Child & Adolescent Mental Health Services and Accident & Emergency 4-hour waits. However, as we progress work around population health and value-based health and care there is a need to focus on experience and outcomes for patients and staff.

Social Matters

NHS Forth Valley is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as a model employer. This is achieved by meeting sustainable procurement targets, delivering an ethical supply policy and implementation of Employability Strategies.

During 2025/2026 we will engage on and publish our ambitious Population Health and Care Strategy. This Strategy sets out the changes we want to make to help improve the health and wellbeing of the whole population of Forth Valley by working closely with staff, partner organisations and the public to make the best use of the resources available and achieve the best possible health outcomes. By preventing people from becoming unwell or providing

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

support to those who are ill at an earlier stage, it means more people can enjoy longer, healthier and happier lives. It also helps reduce pressure on health and care services and frees up more resources to develop and improve services in the future. Investing in services which deliver the better value and achieve better health outcomes will help us to respond to future increases in demand and financial challenges.

Value Based Health and Care aims to make the best use of the resources available, to improve the health of all local people, achieve better outcomes for patients and deliver sustainable health services. Throughout 2024/25, significant work has been undertaken in NHS Forth Valley to raise awareness of the principles of Value Based Health and Care and what it looks like in practice. This builds on the considerable work already undertaken locally to deliver Realistic Medicine and change the way many local services are designed and delivered in response to increasing demand. The next stage involves implementing a new Value Based Health and Care Programme across Forth Valley to deliver outcomes which matter most by matching the resources available to the needs of our local patients and populations. To support this, a number of workstreams are being established and work is also underway to agree several initial pilot areas to help inform the wider implementation across Forth Valley.

NHS Forth Valley Board approved its new Equality and Inclusion Strategic Framework (2025-2029 in April 2025[15] which outlines our approach to working collaboratively with our patients, staff, and partners to build a more inclusive NHS Forth Valley. It reflects our dedication to creating an organisation where everyone feels respected, safe, and supported. By listening to those we serve and work alongside, we can better understand and address their diverse needs. This strategy represents our commitment to driving meaningful change. We are taking deliberate steps to address inequalities and promote an inclusive environment across all levels of our organisation, breaking down barriers and ensuring that every voice is heard and valued.

The NHS Forth Valley Anti-Racism Plan will align with the ongoing work of our Ethnic Diversity Network, in addition to other key strategic priorities such our new Equality Objectives as part of our NHS Forth Valley Equality and Inclusion Strategic Framework (2025-2029). As well as this, there will be a focus on improving maternity care to address racialised healthcare inequalities, taking learning from the NHS Greater Glasgow & Clyde Globalised Majority Women programme. As well as this, opportunities to develop and deliver anti-racism work will be considered in the context of reducing inequalities and included within the suicide prevention action plan.

The NHS Forth Valley Anchor Strategic Plan 2023-2026 was submitted to the Scottish Government at the end of October 2023. The Anchor Strategic Plan describes the origin and development of NHS Forth Valley's anchor programme of work, baseline activities and the actions to be progressed. Guidance advised that procurement, employment and land and assets be the focus for 2023-2026. The Anchor Strategic Plan sets out a logic model for these with the outcome of improving healthy life expectancy, particularly for communities of greatest need within Forth Valley.

The existing strong partnership with the Community Planning Partnerships to, for example, develop the Forth Valley Community Wealth Building Consortium are highlighted along with the Forth Valley University College NHS Partnership with a focus on workforce. A collaborative Forth Valley approach is being taken to progressing this work.

[15] NHS-Forth-Valley-Board-Meeting-Papers-29-April-2025.pdf

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Through the Anchor springboard and child poverty planning, scoping work is being undertaken to assess how to maximise accessibility of transport and opportunities for the reduction of the cost of public transport.

NHS Forth Valley will further progress community wealth and health building programmes and projects with community planning partners, including our unique 'Partnership' with the University of Stirling and Forth Valley College. Key focus in 2025/2026 will be in increasing the employability opportunities which NHS Forth Valley offers to local communities as well as developing community planning partnership community wealth building and healthy life expectancy outcomes and indicators and planning healthcare services utilising Anchor service design approaches.

NHS Forth Valley is fully committed to the prevention of bribery and corruption, and the Bribery Act 2010 is reflected within the Code of Corporate Governance, which includes the Standing Financial Instructions, and the Code of Conduct for staff. A clause in NHS Forth Valley Board contract standard terms and conditions prohibits any gift, payments, or consideration of any kind as an inducement or reward and highlights the criminal nature of such offences under the legislation.

Financial Performance

The Scottish Government requires NHS Boards to meet 3 key financial targets: a Revenue Resource Limit, a Capital Resource Limit and a Cash Requirement. We have delivered all three targets for 2024/25. Note that both the Revenue and Capital Resource Limits are comprised of Core and Non-Core expenditure[16], further details of which can be found in the Summary of Resource Outturn on page 87 (see note 2a). Financial outturn performance for 2024/2025 is summarised in table 3 below.

Table 3: 2024/25 Financial Performance	**Limit set by SGHSCD** £000s	**Actual Outturn** £000s	**Variance (Deficit)/ Surplus** £000s
Core Revenue Resource Limit	882,014	881,778	236
Non-Core Revenue Resource Limit	23,279	23,279	0
Total Revenue Resource Limits	**905,293**	**905,057**	**236**
Core Capital Resource Limit	12,614	12,614	0
Non-Core Capital Resource Limit	143	143	0
Total Capital Resource Limits	**12,757**	**12,757**	**0**
Cash Requirement	**929,244**	**929,244**	**0**

Despite the favourable revenue outturn position reported in table 3 above, significant financial challenges were experienced during the course of the year particularly within the Acute Services Directorate. This reflected high levels of service demand and continued use of unfunded contingency areas and ongoing Covid legacy expenditure, together with increases in the costs of new drugs and devices. Delays in achieving efficiency savings and unavoidable inflationary pressures on a range of contracts (particularly relating to IT systems) and IJB risk sharing requirements also contributed to the financial pressures experienced during the year.

[16] Non-Core expenditure typically relates to items of a technical accounting nature.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Achievement of financial targets was therefore only possible through a series of non-recurring measures applied in year including receipt of significant additional unplanned funding from the Scottish Government and a range of fortuitous benefits e.g. lower Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) contributions than originally planned. Whilst these measures enabled financial targets to be delivered in year, it is recognised that they do not address recurring budget shortfalls and longer-term financial sustainability.

A £43.8m savings target was identified for 2024/25 (£21.7m was targeted on a recurring basis with the balance comprised of various non-recurring savings schemes). During the course of the year, total savings of £34.1m were delivered (£16.2m on a recurring basis) which was £9.7m below the targeted level. This was largely due to delays in the closure of contingency areas (where progress was hindered by a peak in flu and respiratory admissions over the winter period). The unachieved recurring savings balance from 2024/25 has been carried forward and incorporated in our financial plan for 2025/26.

As part of financial flexibility arrangements, the Scottish Government permits Boards to manage small under or overspends within 1% of resource as part of an overall breakeven position across a three-year financial planning period (2024-27). The Board's three-year financial plan covering this period was submitted to Scottish Government on 11th March 2024, a letter was issued by the Scottish Government in response on 4th April 2024.

Table 4 below illustrates the impact of these financial flexibility arrangements on the Board's revenue outturn for 2024/25. As no brokerage was received and no funding was returned to the Scottish Government, there is a nil effect.

Table 4: MEMORANDUM FOR IN YEAR OUTTURN	**£000s**
Core Revenue Resource Variance (Deficit) / Surplus in 2024/25	236
Financial flexibility: funding banked with/ (provided by) Scottish Government	0
Revised (Deficit) / Surplus against Core Revenue Resource Limit	236
Percentage	0.0%

Capital expenditure during 2024/25 amounted to £12.8m which reflects a broad range of planned capital investment projects. This included key information management and technology priorities such as the General Medical Services (GMS) IT system refresh across our GP Practices, inpatient Electronic Patient Record, cyber security and the Windows 11 roll out. Funds were also spent on the purchase of new medical equipment including a 3rd CT scanner and replacement of the pharmacy robot at Forth Valley Royal Hospital, together with new image intensifiers, defibrillators, dialysis machines and endoscopes. In addition, a range of facilities and infrastructure projects were completed to improve energy efficiency throughout the estate (including installation of PV panels and LED lighting and replacement heating systems).

Payment Performance

The Scottish Government and NHS Forth Valley are committed to supporting businesses in the current economic situation by paying bills more quickly to support the sustainability and resilience of our key supply chain networks. In line with the Scottish Government's prompt payment policy, the aim is to achieve payment of all undisputed invoices within 10 working days across all public bodies. Performance against the prompt payment policy is summarised in table 5 below.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 5: Payment performance	2024/25	2023/24
Average period of credit taken	12 days	13 days
Total number of invoices	83,157	107,346
Total number of invoices paid within 30 days	76,572	99,171
Percentage of invoices paid within 30 days:		
- by volume	92.08%	92.38%
- by value	94.37%	94.39%
Percentage of invoices paid within 10 days:		
- by volume	79.54%	73.43%
- by value	86.34%	79.48%

Sustainability and Environmental Reporting

The Climate Change (Scotland) Act 2009 originally set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 'The Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

All designated Major Players (of which NHS Forth Valley is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned by the Board is compiled into a national analysis report, published annually, and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource: https://sustainablescotlandnetwork.org/reports

Progress in terms of responding to the climate emergency was affected by the Covid-19 pandemic and in November 2021 DL (2021) 38[17], the NHS Scotland Policy on the Climate Emergency and Sustainable Development, came into force. DL38 is underpinned by the NHS Scotland Climate Emergency and Sustainability Strategy: 2022 - 2026 that was published on 16th August 2022[18].

These documents clearly set out what NHS Scotland Boards are expected to do to mitigate the impacts of climate change and shift onto a net-zero trajectory. The Scottish Government has set out challenging aims and targets for NHS Scotland's response to the climate emergency and environmental sustainability.

NHS Scotland Boards report progress annually in two ways in relation to climate change and sustainability to the Scottish Government: as a Statutory requirement of the Public Bodies Climate Change Duties and more recently to demonstrate compliance with the NHS Scotland Climate Emergency & Sustainable Development Policy, DL (2021) 38. These submissions cover the preceding Financial Year. The NHS Forth Valley Annual Climate Emergency and Sustainability Report 2023/24[19] reflects the multi-disciplinary approach that

[17] https://www.sehd.scot.nhs.uk/dl/DL(2021)38.pdf
[18] Supporting documents - NHS Scotland climate emergency and sustainability strategy: 2022-2026 - gov.scot (www.gov.scot)
[19] Climate-Emergency-and-Sustainability-Annual-Report-2023-2024.pdf

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

has been adopted by the NHS Forth Valley in responding to the climate emergency and addressing requirements within DL38.

The annual reports are underpinned by the NHS Forth Valley Climate Emergency & Sustainability Strategy and Action Plan 2023-2026[20].

NHS Scotland's climate emergency aim

The overarching climate emergency outcome within DL (2021) 38 is for NHS Scotland to:

- Reduce Carbon emissions to net-zero by 2040 and decarbonise the NHS Scotland estate by 2038 (i.e. no gas heating).

NHS Forth Valley's climate emergency response, aligned to a suite of targets, is set out in the NHS Forth Valley Climate Emergency & Sustainability Strategy and Action Plan 2023–2026. This aligns the Board's climate emergency outcomes with the requirements in DL (2021) 38; it was approved by the Board's Executive Leadership Team in June 2023 and adopted by the NHS Board in July 2023.

Baseline position

The original PBCCD baseline of reportable emissions was set in 2014/15, and the Board has reported progress against this baseline since that time. With the introduction of DL38 in 2021, various healthcare-specific emissions sources were introduced which form the Board's revised baseline e.g. anaesthetic gases and respiratory medicine (inhalers): the DL 38 baseline was set in 2022/23. The result is that, for context, NHS Forth Valley is reporting progress against both baselines.

PBCCD and DL38 submissions

The following is a summary of the key information that was submitted in the PBCCD and DL38 returns for 2023/24. The data and information presented in the reports is submitted by the Project Leads in each of the Working Groups that form the NHS Forth Valley Climate Emergency Response and Sustainability Team. A review of the complete reports is recommended to fully understand the level of effort that has been put into reducing the Board's impacts.

Table 6 below provides a summary of the progress that is being made against the Board's original baseline (PBCCD baseline set in 2014/15).

Table 6: NHS FV performance against the original PBCCD baseline

PBCCD	Baseline 2014/15	2021/22	2022/23	2023/24	% change 2014/15 to 2023/24	NHS FV Commentary
tCO2e	25,192	16,103	15,169	14,722	-41%	This is a comparison of the emissions sources that were include in the original PBCCD 2014/15 baseline, which shows that the downward trajectory has continued.

[20] NHS Forth Valley Climate Emergency & Sustainability Strategy & Action Plan 2023-2026

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

The PBCCD baseline does not include emissions sources that were introduced when DL (2021) 38 came into force. The Board's carbon emissions baseline was revised in 2022/23 due to the addition of other emissions sources e.g. medical gases, respiratory medicines (inhalers) etc. Tables 7 and 8 below set out progress against the Board's revised baseline (the DL38 baseline set in 2022/23).

Table 7: NHS FV performance against the revised DL38 baseline

DL38	Baseline 2022/23	2023/24	% change 2014/15 to 2023/24	NHS FV Commentary
tCO2e	21,714	21,639	-0.345%	2022/23 was effectively a re-baselining of the Board's carbon footprint which introduced additional emissions sources mandated through DL38 (and not included in the original 2014/15 PBCCD baseline shown in Table 1 above).

To provide additional context, Table 8 below sets out progress in terms of the DL38 emissions but excluding Respiratory Medicine (Inhalers) emissions, given the significant rise in these emissions between 2022/23 and 2023/24.

Table 8: NHS FV performance against the revised DL38 baseline – excluding emissions associated with inhalers

DL38 (excluding Inhalers)	Baseline 2022/23	2023/24	% change 2014/15 to 2023/24	NHS FV Commentary
tCO2e	17,657	16,238	-8%	By removing emissions associated with Inhalers from the DL38 baseline, it is clear that good progress is still being made. Inhaler emissions in 2022/23 were 4,057 tCO2e and increased to 5,401 tCO2e in 2023/24.

The Inhalers data is provided by the SG, and it may be that data-collection has improved within the reporting period which explains this increase to some extent. Notwithstanding this, further details regarding the Board's plans to tackle carbon emissions associated with inhalers is included in section 7.3 of the Climate Emergency & Sustainability Report/DL38 submission, and recent data suggests these emissions are reducing in 2024/25.

Excluding emissions associated with inhalers, demonstrates that good progress is being made against the revised (DL38) baseline, and continues to be made against the original (PBCCD) baseline.

Use of resources

Table 9 below summarises the key resources used by NHS FV over the last two years (i.e. resources associated with carbon management).

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 9: NHS FV Consumption of key resources				
Source	**2022/23 Use**	**2023/24 Use**	**% change 2022/23 to 2023/24**	**NHS FV Commentary**
Building energy (kWh)	75,844,078	72,226,391	-4.7%	Note - Electricity consumption reduced by 589,017 kWh's in the reporting period – it should also be noted that the Board's electricity consumption now includes electricity used to charge electric vehicles. Note - Gas consumed by the Board reduced by 3,028,670 kWh's in the reporting period.
NHS fleet travel (km travelled)	2,038,345	1,387,265	-31.9%	Note – Data is for diesel and petrol fleet vehicles, including hired and leased– EV fleet emissions are accounted for in buildings electricity consumption and have not been included opposite. For completeness, the Board's electric fleet vehicles covered 790,411 km's in the reporting period i.e. the whole fleet total = 2,177,676 km's
Water (cubic metres)	193,624	180,127	-6.9%	

Table 10 summarises emissions associated with energy used in buildings (heat and power)

Table 10: NHS FV Building energy emissions, 2015/16, 2022/23 and 2023/24 – tCO2e				
Emission Type	**2015/16 energy emissions**	**2022/23 energy emissions**	**2023/24 energy emissions**	**% change 2015/16 to 2023/24**
Building fossil fuel emissions (gas)	10,575.4	9,471.8	8,937.9	-15.4%
Grid electricity (does not include transmission and distribution emissions)	11,562.4	4,632.4	4,838.4	-58.0%
Totals	**22,137.8**	**14,104.2**	**13,776.3**	**-37.7%**

Notable reductions in consumption of electricity and gas in 2023/24 compared with 2022/23 are shown in Table 11 below.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 11: NHS FV utility consumption reduction in 2023/24 at key (large) sites		
Site	**Reduction in electricity consumption in 2023/24 (kWh)**	**Reduction on gas consumption in 2023/24 (kWh)**
Forth Valley Royal Hospital	-260,000	-2,179,075
Clackmannanshire Community Healthcare Centre	-9,000	-318,414
Falkirk Community Hospital	-108,104	-700,000
Stirling Health & Care Village	-156,434	-

Anaesthesia and surgery

Gases used as anaesthetics and for pain relief have associated environmental impacts. Through improvements to anaesthetic technique and the management of medical gas delivery systems, NHS Forth Valley has reduced emissions from these sources.

- NHS Forth Valley's total emissions from medical gases in 2023/24 were 703 tCO2e, a decrease of 47% compared with 2022/23.

Notable changes have included:

- Desflurane has been removed from all NHS FV stock lists and has not been used by the Board for more than two years.
- The nitrous oxide manifold for piped nitrous at Forth Valley Royal Hospital has been decommissioned.

Electric Vehicle Strategy

NHS Forth Valley is in the process of implementing its Electric Vehicle Strategy that will see all petrol and diesel fuelled cars and light commercials removed from the fleet by 2025. Table 12 sets out how many renewable powered (EV) and fossil fuel vehicles were in the fleet at the end of March 2023 and to date:

Table 12: Electric Vehicles in the NHS FV fleet					
	March 2023		**March 2024**		
Vehicle Type	**Total vehicles**	**Fossil Fuel/ Hybrid vehicles**	**Total vehicles**	**Fossil Fuel/ Hybrid vehicles**	**Difference in % zero tailpipe emissions vehicles**
Cars	59	39	58	6	89.65% of the Board's car fleet are now EV's
Light commercial vehicles	63	55	62	3	95.3% of the Board's light commercial fleet are now EV's

There has been a significant increase in distance covered by EVs in the reporting period which reflects the increased numbers of EVs in the fleet. Distance covered by non-electric vehicles is reducing as would be expected.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Additional information

The information presented above focuses mainly on the Board's emissions. Additional information regarding this Board's climate emergency response has not been included in this summary. A review of the complete PBCCD and DL38 submissions is recommended to fully understand the level of effort that has been put into reducing the Board's impacts.

Identifying, assessing and managing climate-related risks

NHS Forth Valley's Strategic Risks are aligned to the Strategic Planning, Performance & Resources Committee (SPP&R). Specifically, in regard to identifying, assessing and managing climate-related risks, the Board has incorporated within the Corporate Risk Register - SRR017 Environmental Sustainability & Climate Change.

SRR017 description:

If NHS Forth Valley does not receive adequate funding and resources to implement our Climate Emergency & Sustainability Strategy, there is a risk that we will be unable to comply with DL38 and not meet requirements of the Scottish Government Climate Emergency & Sustainability Strategy resulting in an inability to operate in an environmentally sustainable manner, an inability to meet objectives, and damaging stakeholder/public confidence.

Assurance assessments are a fundamental component of a robust risk management framework, providing the SPP&R committee with an objective assessment of controls to ensure they are designed and operating effectively.

A review of the risk score associated with SRR017 was completed within the reporting period, and the output of this has increased the risk score from 15 to 20. This in particularly in relation to the reduction in availability of funding to progress Environmental Sustainability workstreams.

The SPP&R Committee were asked to endorse the evaluation of the assurance provided for SRR017 Environmental Sustainability & Climate Change.

Proposed Next Steps:

Due to the limited availability of funding to ensure the Board's climate emergency response is effective, the Board will enhance existing risk controls and improve communication and awareness of the organisation's requirements to meet DL38.

Progress in Financial Year 2024/25

This Board's response to the climate emergency was ongoing in financial year 2024/25. However, details of the progress being made will not be available till the data is collected and analysed in line with the PBCCD and DL38 reporting timeframe i.e. the submission deadline for the mandatory PBCCD report for 2024/25 is 30th November 2025.

Key Issues and Risks

The emergency 4-hour access standard is a key objective set by Scottish Government for emergency departments across Scotland. In order to have timely access, treatment, admission or discharge within 4 hours of presentation to the emergency department, the whole system of health care requires being as efficient as possible. The access to care ranges from services in local communities, through intermediate care and the hospital system. Delivery of the emergency 4-hour access standard remains challenging despite the improvement work being undertaken on a whole system basis.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

We have seen that we can sustain an ED performance above 50% for several weeks at a time. It is still our aim for the Forth Valley Royal Hospital ED to maintain above 50% and achieve 57% as our baseline. A review by the Centre for Sustainable Delivery supports our overall plans. Work continues to support delivery of actions aligned to the various workstreams and projects underway system wide to support ongoing improvements in performance. NHS Forth Valley has joined the Discharge without Delay Collaborative which will influence the structure of how we align the ongoing actions through one consolidated Urgent and Unscheduled Care/Delayed Discharge plan.

NHS Forth Valley has delivered a balanced budget for 2024/2025 however a range of measures to deliver ongoing service transformation, cost improvement and efficiencies are required to address financial sustainability in 2025/26 and beyond. The scale of the financial pressure is significant, and the current financial environment and operating context remains challenging. It is clear that whole system transformation and reform is required to address longer term financial sustainability as part of the strategic direction for the future delivery of safe and effective health and care services within available resources. This ethos is supported by the Scottish Government reform agenda, our Population Health & Care Strategy and our value-based health and care programme. Financial sustainability is a key theme embedded within the new Population Health & Care Strategy 2025-2035 and will underpin our associated future workforce and digital health strategies.

During 2024/25 a Financial Sustainability Action Plan was developed which set out the broad range of local and national cost improvement initiatives and efficiency targets which were intended to mitigate estimated funding gaps and contribute towards delivery of the Scottish Government's 3% recurring savings target[21]. A Financial Sustainability Oversight Board was established in March 2024 to oversee implementation of the Financial Sustainability Action Plan. The group is chaired by the Chief Executive with membership drawn from the Senior Leadership Team (SLT) and staff side. The group meets on a fortnightly basis to review progress across each savings workstream. The Financial Sustainability Action Plan has been refreshed for 2025/26 and is aligned to the national 15-point grid.

The Capital budget position remains equally challenged over the medium term and this will require careful management to ensure all infrastructure, digital and medical equipment priorities can be met within available funding (including statutory health and safety and other compliance requirements).

The impact of wider economic price inflation remains a key risk factor, particularly in relation to procurement of routine non-pay items including consumables and medicines, annual movements on contract prices with a particular impact on high value annual payments which are aligned to general or Retail Price Index inflation rates, and capital investment costs due to changes in market prices.

With increasing demand for health and care services, employees are critical to the delivery of services and our strategic ambitions with workforce recruitment and retention a key risk for NHS Forth Valley. There is a need to identify our future staffing needs and ensure we have the plans in place to attract and retain the workforce required to deliver high quality local services, now and in the future. NHS Forth Valley needs to ensure it has the right staff, appropriately skilled and in the right place.

The Strategic Risk Register includes a risk of maintaining financial sustainability, which is currently scored as very high. This reflects the unparalleled financial operating environment and the risks in relation to ongoing capacity, workforce pressures and delayed discharge profile which are driving increased use of temporary staffing and contingency beds along

[21] Equivalent to £20.1m for 2024/25.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

with the impact of the current economic climate. There is a clear system-wide focus on the reduction of contingency beds and work to support improvements in urgent and unscheduled care and a shift in the balance of care.

The Strategic Risk Register is regularly reviewed, updated, and presented to our NHS Board along with details of the action being taken to mitigate these. Each strategic risk has been aligned to one of the standing assurance committees i.e., Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee. The Committee alignment is under review informed by a review of the Strategic Risk lead impact categories. Focused reviews of each Strategic Risk have been timetabled at relevant assurance committees throughout 2024/25. Further information on risk is included in the Governance Statement.

The Covid-19 pandemic and its legacy continue to impact on our health and care system, alongside the rising demand for healthcare and the increasing complexity associated with the ageing population in Forth Valley.

Performance Report Approval

The Performance Report, comprising the Overview and Performance Analysis, is approved for issue.

Signed by:
Ross McGuffie
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Mr Ross McGuffie
Chief Executive
29th July 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

ACCOUNTABILITY REPORT

The accountability report is primarily designed to meet key the accountability requirements to Scottish Parliament and is formed of 3 sections:

1. The Corporate Governance Report - this summarises the composition and organisation of the Board's governance structures and how they support the achievement of our objectives. This includes the Directors' Report, the Statement of Accountable Officer's responsibilities and the Governance Statement.

2. The Remuneration and Staff Report - this outlines the Board's remuneration policy for Directors, reports on how that policy has been implemented and sets out the amounts awarded to Directors (and where relevant the link between performance and Remuneration).

3. The Parliamentary Accountability Report - this collates the key parliamentary accountability documents within the annual report and accounts in line with the requirements of the Scottish Public Finance Manual.

CORPORATE GOVERNANCE REPORT

Director's Report

Date of Issue
The Accountable Officer authorised these financial statements for issue on 29th July 2025.

Appointment of auditors
The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. Public audit appointments in Scotland are rotated on a 5-year cycle in order to maintain External Auditors' independence. 2022/23 marked the start of a new 5-year cycle and the Auditor General has appointed Deloitte LLP as NHS Forth Valley's external auditor for this period. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland, and approved by the Auditor General.

Legal Form
Forth Valley NHS Board is a public body constituted under the National Health Service (Scotland) Act 1978 (as amended) with registered headquarters at Carseview House, Castle Business Park, Stirling, FK9 4SW.

Board Membership
Under the terms of the Scottish Health Plan, the Health Board is a Board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision-making process at a strategic level. The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The members of the NHS Board who served during the year from 1st April 2024 to 31st March 2025 were as follows:

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Non-Executive Members

Ms Neena Mahal	Interim Chair
Mr Martin Fairbairn	Non-Executive Director
Mr Gordon Johnston	Non-Executive Director
Mr Stephen McAllister	Non-Executive Director
Dr Michele McClung	Non-Executive Director
Mr Allan Rennie	Non-Executive Director
Mr John Stuart	Non-Executive Director

Local Authority Members

Cllr Fiona Collie	Non-Executive Director
Cllr Wendy Hamilton	Non-Executive Director (until 7th March 2025)
Cllr Fiona Law	Non-Executive Director (from 24th March 2025)
Cllr Gerry McGarvey	Non-Executive Director (until 16th September 2024)
Cllr David Wilson	Non-Executive Director (from 23rd September 2024)

Advisory Committee Chairs

Mrs Kirstin Cassells	Non-Executive Director - Chair Area Clinical Forum
Mr Robert Clark	Non-Executive Director - Employee Director

Executive Members

Ms Amanda Croft	Interim Chief Executive (until 30th September 2024)
Prof Frances Dodd	Executive Nurse Director
Dr Graham Foster	Director of Public Health
Prof Ross McGuffie	Chief Executive (from 1st October 2024)
Mr Andrew Murray	Medical Director
Mr Scott Urquhart	Director of Finance

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31st March 2025 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

Board members' interests

A full register of interests of Board members was updated in April 2025 and is available from

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

the NHS Forth Valley website, at the following address:
https://nhsforthvalley.com/about-us/board-matters/code-of-conduct/

Directors third party indemnity provisions
There have been no qualifying third-party indemnity provisions in place for Directors at any time during the financial year.

Remuneration for Non audit work
During the year 2024/25 the Board's external auditors, Deloitte, undertook no non-audit work.

Information Commissioner (ICO) Reported Incidents

Details are provided within the Governance Statement (Table 6), following this section.

Public Services Reform (Scotland) Act 2010
Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Forth Valley NHS Board fully meets the requirements of the Public Services Reform (Scotland) Act 2010 and disclosure details can be found at the following web-link:
http://www.nhsforthvalley.com/publications/financial-information

Statement of Accountable Officer's Responsibilities

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of Forth Valley NHS Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient, and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

In preparing the Accounts I am required to comply with the requirements of the Government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced, and reasonable and the judgements required for that is fair, balanced, and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. As the

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Forth Valley NHS Board's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter issued to me on 1st October 2024.

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with Forth Valley NHS Board's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. In pursuing a Health Board that is performing to a high standard, I am mindful of ensuring that the best interests of patients are central to all that we do. I am also responsible for safeguarding the public funds and assets assigned to Forth Valley NHS Board.

I confirm that NHS Forth Valley is compliant with the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes have been in place throughout the financial year to manage risk within the organisation:

- A Board which meets regularly to consider the plans and strategic direction of the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the executive members of the organisation and non-executive members.
- A single system of governance and risk management arrangements with clear supporting lines of accountability and agreed Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- The consideration by the Board of minutes and reports from Board Assurance Committees, namely, Audit and Risk, Clinical Governance, Performance & Resources (including responsibility for Information Governance), Staff Governance, Strategic Planning, Performance & Resources and Remuneration and concerning any significant matters on governance, risk, and internal controls.
- Prioritisation of risks and allocation of responsibility for mitigating action to named senior officers.
- A focus on Best Value and a commitment to ensuring that resources are used efficiently, effectively, and economically taking into consideration equal opportunities and sustainable development requirements.

Purpose of Internal Control

The Health Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Health Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in place. The system of internal control is based on an ongoing process designed to identify, prioritise, and manage the principal risks facing Forth Valley NHS Board. The system aims to evaluate the

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

nature and extent of risks, and manage risks efficiently, effectively, and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance. The process within Forth Valley NHS Board accords with guidance from Scottish Ministers in the SPFM and supplementary NHS guidance and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary, and administrative requirements, emphasises the need for efficiency, effectiveness, and economy, and promotes good practice and high standards of propriety.

The overall purpose of the Forth Valley NHS Board

An effective Health Board articulates an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking three key roles:

- Formulating strategy and setting direction including the development of an Annual Operational Plan.
- Ensuring commitment and accountability by holding the organisation to account for performance and the delivery of both improvement in population health/addressing health inequalities and individual experience of care whilst operating within a context of affordability and sustainability.
- Shaping a positive culture that is open, just and fair, for the Health Board and the wider organisation.

The Function of the Board

- Setting the direction, including clarifying priorities and defining change and transformational expectations.
- Holding the Executive Leadership Team to account by seeking assurance that the organisation is being effectively managed, and change is being successfully delivered.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with key stakeholders, as and when appropriate.
- Influencing the Board's and the wider organisational culture.

Responsibilities of Members of the Board

Membership of Forth Valley NHS Board carries with it a collective and corporate responsibility for the discharge of these functions. All members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments, and accountability, upwards to Scottish Ministers and outwards to its partners and wider local community. It is the duty of the Chair and me as Chief Executive to ensure that Board Members and staff understand their responsibilities. Board Members and Managers receive an updated copy of the Code of Corporate Governance annually. The Code of Corporate Governance is kept under review and amended as necessary to reflect current policy and guidance, and the work nationally to improve and standardise governance across NHS Scotland. Managers are responsible for ensuring their staff understand their own responsibilities.

The Health Board has governance arrangements in place which provide an integrated approach to governance across clinical areas, staff arrangements, involving and engaging people in our service, developments, and performance management. The conduct and

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

proceedings of the NHS Board are set out in its Code of Corporate Governance; this document specifies the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the Scheme of Delegation and the matters which are remitted to a Standing Committee of the NHS Board. The Code of Corporate Governance also includes the Code of Conduct that Board members must comply with, along with the Standing Financial Instructions, Fraud Standards, Standards of Business Conduct for Staff and the Risk Management Framework. These documents are the focus of the NHS Board's Annual Review of governance arrangements. The NHS Forth Valley NHS Board reviews and approves the Code of Corporate Governance each year. The Standing Orders are made in accordance with The Health Boards (Membership and Procedure) (Scotland) Regulations 2001.

The non-executive members provide constructive scrutiny and challenge, and this is evidenced in minutes of Health Board and Board Assurance Committees. In addition to the Code of Conduct for Members, the NHS Board agrees its Corporate Objectives on an annual basis. All Health Board Executive directors review their development needs as part of the annual performance management and development process.

Governance Framework

The NHS Board is responsible for the strategic leadership and governance for the NHS system across Forth Valley. The NHS Board is managed by a Board of Executive and Non-Executive Directors and is accountable to the Scottish Government through the Cabinet Secretary for Health and Social Care.

The Chair and Non-Executive Directors are appointed by the Cabinet Secretary based on the expertise and skills required to contribute to local strategic decision-making processes. There is an induction process in place for all new Board members which includes meeting key members of staff. Non-Executive members receive an annual performance appraisal and opportunities for training are made available through follow up with individual Directors as appropriate.

The Board and its six standing Governance Committees meet throughout the year to consider issues within their remit including governance, performance, and the management of risk.

Escalation Status

The current escalation status in respect of the NHS Scotland Performance Support and Intervention Framework is described in the Accountable Officer's Overview Report – Stage 4 Escalation.

NHS Board Issues

The NHS Board met every two months throughout 2024/25. One special Board was held in June 2024 to consider and approve the Annual Report and Accounts. There was a regular programme of Board Seminars or development sessions held throughout the year.

In 2024/2025, every NHS Board meeting included a patient or staff story. A number of standing items were presented to each meeting of the NHS Board. These include the Healthcare Associated Infection Reporting Template, Performance Report, Update on Safety, Strategic Risk Register Update and Finance Report. The Chief Executive presented the first Board Executive Team Report in November 2024 providing a wide update from the Board's Executive Team, covering celebrating success; general updates; inspection activity; visible leadership; and horizon scanning.

The Forth Valley NHS Board received the minutes of standing assurance committees, namely: Audit and Risk, Clinical Governance, Performance and Resources and Staff Governance. During the year the Performance & Resources Committee (P&RC) was

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

replaced by the Strategic Planning, Performance & Resources Committee (SPPRC), the minutes of which were also presented to the Board. The SPPRC was constituted to provide a space for strategic thinking and discussion. Board members, particularly all Non-Executive Directors, have an opportunity to shape and influence strategic direction and have strengthened oversight of the challenges faced by the Board. The SPPRC work plan was drafted in line with the approved Committee Terms of Reference with the work previously considered by the P&RC included where relevant. Any additional responsibilities of the Committee have been included and the Scheme of Delegation amended.

Minutes of the Escalation Performance & Resources Committee were considered at the Board until the standing down of the Committee. This followed approval by the Board in September in line with a recommendation from the Committee in August 2024. The minutes of the Board's two advisory committees were also received at Board, namely: the Area Clinical Forum and the Area Partnership Forum. In addition, minutes from the two Integration Joint Boards were also presented.

Significant topics discussed during the year at the Board and at Governance Committees included:

Population Health & Care Strategy 2025 – 2035 Development
Reports were considered at Board meetings held in January and March 2025 as part of the development of the Population Health & Care Strategy which would set the direction of travel for the next ten years.

Culture Change & Compassionate Leadership Programme Update
The Board received an update on the Culture Change & Compassionate Leadership Programme in July 2024 which included the planned launch of 8 project teams with supporting workstreams.

The Phase 1 workstream projects were:

- Invest & Celebrate
- Safe, Well & Heard
- Great Communication
- Live the Values

The Phase 2 workstream projects were:

- Develop Our Leaders
- Attract & Retain
- Learning & Continuous Improvement
- Get Connected

Draft Financial Plan
The Draft Financial Plan for the next three years covering the period 2025/26 to 2027/28 was presented for approval in March 2025 which sought to restore recurring financial balance through whole system reform and innovation, guided by the principles of Value Based Health and Care. There were four key priorities which underpinned the plan, aligned with the emerging Population Health & Care Strategy, which were:

- Stewardship & Culture
- Refreshed Financial Sustainability Action Plan
- Value Based Health & Care Programme
- Exit Strategies for Unfunded Service Areas

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Draft NHS Forth Valley Corporate Objectives

The draft Corporate Objectives for 2025/26 were presented for approval in March 2025. The Corporate Objectives reaffirmed the ambition and purpose of the organisation, setting out the response to key priorities for NHS Forth Valley in 2025/2026. They were aligned with the first 3-year Delivery Plan. The Corporate Objectives provided direction for staff whilst promoting action towards goal-related activities and behaviours that aligned with values.

Power Outage – Forth Valley Royal Hospital 24th January 2025

The March 2025 Board received an update on the full loss of power to the Forth Valley Royal Hospital site which resulted in a Major Infrastructure Failure being declared on 24th January 2025. The site implemented a process of contingency plans to enable the site to function and care for the patients and staff. There was already a command structure in place due to the red weather warning for Storm Eowyn and within minutes a structure was in place to manage the situation. There was no interruption to the continuity of care, with staff working together to support patients and each other. A Black Start test took place on the FVRH site on the 26th of November 2024 prior to the Major Infrastructure Failure; at that time everything was tested and was working as normal. There was no patient harm recorded as a result of the infrastructure failure; however, a small number of patients who were being prepared for theatre had to have their procedures rescheduled.

The process for undertaking parallel running of generators with grid power, when there is a potential of a power surge has been reviewed. There are a number of recommendations with actions agreed around a change in local processes in response to any future power outage.

Quality Assurance and Improvement Report

The Quality Assurance and Improvement Report described the Board's quality assurance position, progress with key quality improvements and use of evidence to plan for quality. Key updates provided covered:

(i) Assurance of Quality
(ii) Quality Improvement
(iii) Key metrics progress
(iv) An update on the Safer Together Collaborative and the recent Learning Session

Purchase of Killin Medical Practice Premises

The off-market purchase of the Killin Medical Practice premises was approved in November 2024. The premises had been owned by a 3rd party who wished to sell the premises. Without the purchase of the premises by the Health Board, there was a risk that as no other suitable premises were available, the Killin Practice would not be able to continue to operate within its rural area.

Realistic Medicine and Value Based Health and Care Update

The report received by the Board in September 2024 provided an overview of the work to date on Realistic Medicine (RM) and Value Based Health and Care (VBH&C) within NHS Forth Valley. It outlined the plan moving forward, highlighting how Forth Valley initiatives aligned with organisational objectives, broader national goals and key partnerships. RM had been a prominent feature in the Chief Medical Officer's (CMO) reports since 2016. The Board heard that as demand for healthcare would increase by approximately 20% during the next decade it would be essential to progress the embedding of the principles, priorities and practise of VBH&C throughout Forth Valley with the programme launching in April 2025.

CT Scanner Business Case

In July 2024 the Board approved a business case for an additional CT Scanner at NHS Forth Valley Royal Hospital, including the associated capital investment of £785,388. The

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two CT scanners then available were not able to provide the activity to match demand. The disparity between capacity and demand had resulted in a growing waiting list for CT imaging. Mitigations had been put in place and included enhanced vetting of all CT referrals by Consultant Radiologists; extended working hours on the outpatient scanner, and use of a mobile CT Unit supplied from the Scottish Government.

Urgent and Unscheduled Care Action Plan

Within the plan there was an aim to sustain 57% for the 4-hour emergency department access standard. Early intervention and prevention were being explored through a public health lens to better understand patient needs and prevent unnecessary unscheduled presentations to ED. This population health approach which would inform immediate plans as well as support longer term strategic decision making to improve healthy life expectancy and reduce health inequalities.

Proposed Delegation of Children's and Justice Social Work Services to Falkirk IJB

The Board received an update in January 2025 on actions taken following a decision by Falkirk Council on 27th September 2023 to consider whether the Council's Children's and Justice Social Work should be delegated to Falkirk IJB with operational responsibility under the Falkirk Health and Social care Partnership.

Integration Schemes

In January 2025, a report was approved which set out draft revised Integration Schemes for both the Falkirk and Clackmannanshire & Stirling Integration Joint Boards.

Clackmannanshire and Stirling IJB Inspection Improvement Plan

This report received by the Board in January 2025 and for approval set out an Improvement Plan following the joint inspection of Clackmannanshire & Stirling HSCP which had taken place between April and September 2024. The plan had been developed in partnership with services in mental health across the spectrum but would apply to all integrated services in the HSCP.

Communications

An Update on Communication Priorities 2025/26 and a Participation & Engagement Strategic Framework 2025-2028 were considered in March 2025. The Priorities report provided an update on the key communication plans and priorities over the next year. The Participation & Engagement Strategic Framework outlined NHS Forth Valley's commitment to working collaboratively with staff, patients, service users, partner organisations, local communities and other key stakeholders to plan, develop and improve local health services and the approach which would be used to undertake engagement against best practice standards.

Board Assurance Framework

The Board Assurance Framework approved by the Board in March 2025 is designed to support the delivery of good governance, the NHS Forth Valley Board Assurance Framework, brought together the organisation's strategic planning, risk management and assurance information systems. The outputs from a Board Development Session on Active Governance had been considered in the development of the BAF which set out the key controls in place to support delivery of NHS Forth Valley priorities and to mitigate risk.

Code of Corporate Governance – Annual Review

The Annual Review of the Code of Corporate Governance was presented to and approved by the NHS Board in March 2025. The Standing Orders had been revised to align more closely with the national model Code and adopted the optional provision regarding Deputations. All Committee Terms of Reference had been reviewed and developed in a new consistent corporate format.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Strengthening Governance: Review of Governance Committees, Non-Executive Director Portfolios and Committee Membership

The Board received a paper in November 2024 highlighting that the Board Chair had undertaken a review of Governance Committees and the portfolio assignments of Non-Executive Members. The Board Chair had developed a skills matrix in collaboration with Board Members. The standing down of the Ethical Issues Committee was approved with work being subsumed by the Clinical Governance Committee. A short life Population Health Task and Finish Group was established to support the development of the Population Healthcare Strategy. There were changes to membership of Board Governance Committees, the Falkirk IJB and Chairing arrangements for Board Committees and the Falkirk IJB. It was confirmed that the Board Chair, Chief Executive and Acting Director of Public Health were the Health Board representatives for all 3 Community Planning Partnerships.

Details of the Governance Committees including their functions are set out below.

Audit and Risk Committee

An effective Audit and Risk Committee is essential to a strong corporate governance and risk mature culture within the NHS Board. The Committee requires to have effective communication with all key stakeholders including Internal Audit, External Audit, the Risk Management Department and other relevant assurance providers.

The purpose of the Audit and Risk Committee are set out in the NHS Board Standing Orders and in the Scottish Government's Audit and Assurance Committee Handbook. The key purpose of the Committee is to provide assurance that NHS Board activities including patient's private funds are:

- within the law and regulations governing the NHS; and
- that an effective system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided, reliable financial information produced, and value for money continuously sought.

The effectiveness of internal controls is assessed by internal audit through reporting and follow up procedures, and a robust risk management programme is in place to identify and manage organisational risks.

The Audit and Risk Committee has a responsibility for reviewing the disclosures included in the Board's Annual Governance Statement.

The Audit and Risk Committee met on four occasions throughout 2024/25. All meetings of the Audit and Risk Committee held in 2024/25 were quorate.

The Committee considered a combination of routine and specific work areas during the financial year. The routine work was largely in relation to internal financial controls, internal and external audit plans, and internal and external audit reports. Specific areas of work were considered in line with the Committee remit including:

- 2023/24 Patient Fund Annual Accounts and External Audit Report
- NHS Forth Valley Annual Accounts 2023/24
- NHS Scotland Accounting Manuals
- Proposed Change to the Treatment of Patient Fund Balances
- Approval of the Internal Audit Plan for 2024/25
- Internal Audit Progress Reports
- Proposed External Audit Opinion and Letter of Representation
- Annual Reports and Assurance Statements 2023/24

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- Quarterly and annual reports issued by Counter Fraud Services (CFS) including the review and consideration of cases relevant to NHS Forth Valley.
- Consideration of the local implications of the various national audit publications.
- Reports issued relating to the Audit Follow-up process.
- Strategic Risk Register Quarterly Updates
- Internal Control Evaluation Report
- Internal Audit Report
- Global Internal Audit Standards
- External Audit 2024/25 Audit Plan and Proposed Fee
- Governance Documents Review, including Terms of Reference, Annual Report, Code of Corporate Governance and Schedule of Business
- National Fraud Initiative

Internal and External Audit colleagues usually attend the Audit and Risk Committee. In addition, service managers and Directors regularly attend to provide information and assurance and to participate in discussions.

Clinical Governance Committee

The Clinical Governance Committee is responsible for providing the NHS Board, patients, and the public with assurance, that the framework, systems, and processes to deliver Clinical Governance and Clinical Risk Management are robust and working effectively to deliver the highest standards of healthcare, including health improvement and health protection activities.

The Clinical Governance Committee fulfils its purpose by receiving and considering information, reports, and documents on Complaints Performance, Clinical Risk, Significant Adverse Events, and Standards and Review Reports. The Committee reviews relevant risks and adverse events.

The Clinical Governance Committee met on six occasions in 2024/25. All meetings of the Clinical Governance Committee held in 2024/25 were quorate.

The Committee considered both routine and specific work areas during the financial year 2024/25 with meeting agendas structured following the Vincent Framework[22] and carried into the meeting throughout the year to demonstrably provide assurance of safe care. Specific areas of work considered in line with the Committee remit included:

- Escalation Updates
- Safe Delivery of Care Updates
- Emerging Clinical Issues
- Whole System Assurance Report
- Healthcare Associated Infection Reports
- Out of Hours Updates
- Person Centred Care Reports
- Significant Adverse Event Update Reports
- Medical Education Annual Report
- Public Health Updates
- Patient Safety Conversation Visits Bi-Annual Report
- Acute Directorate Safety and Assurance Report
- Professional Assurance Framework

[22] https://www.health.org.uk/publications/the-measurement-and-monitoring-of-safety

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Endowment Committee

The purpose of the Endowment Committee was to ensure that Endowment Funds held in trust complied with the relevant laws and regulations and that an effective system of financial control is in place. In so far as they are able, the Committee administers the Endowment Funds in accordance with the wishes of donors.

A review of the overall governance arrangements for Endowments was undertaken during the 2024/25 financial year which resulted in a number of changes to the Fund Charter, the Standing Orders and the Terms of Reference of the Endowments Committee. As a result the endowment committee was replaced with the Board of Trustees and a new endowment sub-committee reporting directly to the Trustees was created.

During the course of the year the former Endowment Committee met in June and January (the October meeting was cancelled). The Committee considered the 2023/24 annual accounts at the June meeting. The External Auditors to the Endowment Fund are Dickson Middleton & Co. Chartered Accountants and they provided an unqualified opinion and confirmed that the 2023/24 financial statements and the administration of the Endowment Funds complied with Charity Law and Accounting Standards.

The new endowment sub-committee met in March and reviewed the latest financial performance report, considered obsolete and slow-moving funds and received a progress update on funding raising and grants.

The first meeting of the Trustees took place on 28th January 2025.

Escalation Performance and Resources Committee

The purpose of the Escalation Performance and Resources Committee is to provide oversight of and assurance to the Board of NHS Forth Valley regarding the implementation and delivery of the Escalation Improvement Plan, and how this is leading to improvements in service delivery, patient safety and experience, and staff wellbeing and experience.

The Escalation Performance and Resources Committee met on three occasions in 2024/25 with all meetings quorate.

Meetings focussed on progress, and supporting evidence, with the agreed actions in the Escalation Improvement Plan version 2 and the Assurance and Improvement Plan (Escalation Improvement Plan version 3). Updates were received from Assurance Committee chairs regarding areas of business specific to their committee.

- Staff Governance Committee - culture and leadership actions and intended outcomes.
- Clinical Governance Committee - HIS and Out of Hours actions and intended outcomes.
- Performance and Resources Committee - Governance, Urgent & Unscheduled Care, Child & Adolescent Mental Health Services (CAMHS), Psychological Therapies and Integration actions and intended outcomes.

The Escalation Performance & Resources Committee, established in early 2023, undertook a significant volume of work, overseeing reporting to the Assurance Board. The Committee recommended at its meeting of 14th August 2024 that the Committee be dissolved, and this was presented to the Board for decision. The Committee determined that sufficient progress had been made to enable the transfer of the assurance role to business-as-usual activity through the Board and its Committees. The Committee was stood down with effect from the 24th of September 2024 Board meeting.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Performance and Resources Committee

The purpose of the Performance and Resources Committee is to scrutinise the financial and non-financial performance of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance to the Board that the arrangements are working effectively.

The Performance and Resources Committee met on four occasions in 2024/25. All meetings of the Performance and Resources Committee held in 2024/25 were quorate.

Both routine and specific work areas were considered. Meeting agendas considered urgent business, financial, performance, risk, property and asset management, capital projects and information governance issues, and scrutiny of key issues around priorities including aspects of performance related to our Stage 4 Escalation.

Specific areas of work considered in line with the Committee remit included:

- The Corporate Plan including the Health Board's corporate objectives 2024/25 was considered ahead of approval by the NHS Board.
- Information Governance Assurance Update Report providing an assessment of NHS Forth Valley's information governance agreements for the period January to June 2024.
- Internal Audit Actions Follow Up reports providing oversight of the audit actions aligned with the remit of the committee.
- Urgent and Unscheduled Care Improvement Plan detailing the factors affecting performance, the workstreams underway and providing assurance that whole system working was being applied to improve patient experience and performance in Urgent and Unscheduled Care.
- Whole System Winter Plan 2024/25 bringing together the plans of the Acute Directorate, Health & Social Care Partnerships and winter arrangements prepared by specialist clinical and non-clinical support services, to provide an overview of proposed arrangements.
- Whole System Plan Updates noting the requirements of DL (2024) 02 regarding whole system infrastructure planning and the position in relation to the approval of projects which are under the auspices of the Scottish Capital Investment Manual.

Presentations were received focusing on areas of concern where there were performance issues or challenges providing the committee with an opportunity to understand some of the complexities involved in delivery of services and the challenges faced whilst ensuring that all avenues were being pursued in respect of the management of risks and improving performance.

At the September 2024 meeting of the Board, it was agreed to increase the membership of the Performance & Resources Committee to an all-non-executive membership and to rename as the Strategic Planning, Performance & Resources Committee (SPPRC). The SPPRC would provide a space for strategic thinking and discussion where there could be early sight of proposals and an opportunity for non-executives to shape and influence strategic direction. The decision was taken having given consideration to practice in other Boards and in response to recommendations and findings from the External Governance review and the Board's self-assessment against the Blueprint for Good Governance, identifying the need for more structured time and input to oversight of strategic direction. The SPPR Committee began operation from 17th December 2024 and at this inaugural meeting agreed its Terms of Reference.

Pharmacy Practices Committee

The role of the Pharmacy Practices Committee is to consider, determine and approve or reject applications for inclusion in the Pharmaceutical List in accordance with the NHS

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

(Pharmaceutical Services) (Scotland) Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014. The Committee meets as required on receipt of applications.

The Pharmacy Practices Committee met on four occasions in 2024/25 in respect of two applications.

Remuneration Committee

The Remuneration Committee is a sub-committee of the Staff Governance Committee. It provides assurance to the NHS Forth Valley Board that appropriate arrangements are in place to meet the statutory requirements as laid out in the Staff Governance Standard, in respect of the application and implementation of fair and equitable pay and performance management systems as determined by Ministers and Scottish Government.

The Remuneration Committee met on four occasions on 2024/25 with all meetings quorate.

Staff Governance Committee

The purpose of the Staff Governance Committee is to provide the NHS Board with the assurance that:

- There is a culture within NHS Forth Valley where the highest possible standard of staff management is understood to be the responsibility of everyone working in Forth Valley and is built upon partnership and collaboration.
- Staff governance mechanisms are in place and effective throughout the local NHS system.
- Performance is reviewed against the Staff Governance standard.

The Staff Governance Committee met on five occasions in 2024/25. All meetings of the Staff Governance Committee held in 2024/25 were quorate. Both routine and specific work were considered focusing on staff wellbeing and staff absence issues. This included issues in relation to culture and leadership linked to Stage 4 Escalation.

The Area Partnership Forum met 9 times in 2024/25 and has the role of overseeing implementation of the Staff Governance Standard and specifically Health and Safety. Activities and issues are reported to the Staff Governance Committee.

Strategic Planning Performance & Resources Committee

The purpose of the Strategic Planning Performance & Resources committee is to:

- influence, scrutinise and oversee the development of the strategic direction of the NHS Board, including the setting of the Board's vision and corporate objectives.
- scrutinise and oversee the planning and development of corporate policies and strategies for onward referral to the NHS Board for decision.
- oversee the planning and performance of areas related to Integration arrangements.
- scrutinise and oversee the implementation of service redesign and transformation change programmes taking a Values Based Health and Care approach.
- act as the oversight Committee for the development of NHS Forth Valley as a Population Health Organisation.
- act as the Performance Management Committee of the NHS Board with specific scrutiny of Financial and Operational performance.

The Strategic Planning, Performance and Resources Committee met on two occasions in 2024/25. All meetings of the Strategic Planning Performance & Resources Committee held in 2024/25 were quorate.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Regular reports were received including the Internal Audit Actions Follow-Up, Finance Report, Financial Sustainability Oversight, Performance Report, Strategic Risk Register. Minutes were received and noted of the regular meetings of the Information Governance Group and the Emergency Planning and Resilience Group.

Specific areas of work considered in line with the Committee remit included:

- Population Health & Care Strategy Development
- Draft Population Health & Care Strategy
- Population Health & Care Strategy Engagement Plan
- Communications Plan Priorities
- Integration Schemes Review
- National Treatment Centre Update
- Radiology Information System Business Case
- Capital Business Continuity Plan
- IT Infrastructure Business Continuity Plan
- Draft Financial Plan 2025/26 to 2027/28
- Psychological Therapies Update
- Board Assurance Framework
- Internal Control Evaluation Report
- Information Governance Annual Report
- Draft Forth Valley Corporate Objectives 2025/26
- Delivery Plan Overview 2025/26
- Urgent & Unscheduled Care Progress Report

Corporate Governance

The NHS Scotland Blueprint for Good Governance: second edition[23] was published in December 2022 and includes a definition of what is meant by 'good', placing more emphasis on the delivery mechanisms and the need to apply a continuous improvement approach to healthcare governance arrangements. Consideration of the approach to the governance of change now features more prominently in the design of the governance arrangements. The updated guidance also highlights the need for NHS Boards to adopt both active and collaborative approaches to governance.

The External Review of Corporate Governance commissioned in January 2023 was received in October 2023. The recommendations were mapped against outputs from the Board Self-Assessment Survey conducted in September 2023. To reflect upon the results of the survey and capture any additional actions in the Assurance & Improvement Plan, two Board Development sessions run by an external consultant took place in December 2023 and February 2024. A Board Seminar was held on 24th April 2024 in the form of a workshop on progress with escalation where officers provided an updated position against the recommendations of the external review of governance. Board members agreed the assessment of progress put forward by officers.

As work to deliver actions within the Assurance and Improvement Plan progressed, NHS Forth Valley began to concentrate on any outstanding actions that required ongoing focus. The Chair of NHS Forth Valley along with the Escalation Performance and Resources Committee Chair and the Head of Corporate Governance met early summer to review the Assurance and Improvement Plan, to clearly identify any outstanding actions. At its meeting of 24th September 2024, the Board received an Update on Level 4 Escalation paper which focussed on the impact of actions, what was different and if there were any gaps or areas of work which required additional focus. At the same meeting the Board agreed, on a

[23] Supporting documents - NHS Scotland - blueprint for good governance: second edition - gov.scot (www.gov.scot)

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

recommendation from the Escalation Performance & Resources Committee, to stand that Committee down in light of the progress made and monitoring as business-as-usual through the Board's Governance structures.

Work progressed around creation of a Board Assurance Framework using the model set out in the Blueprint for Good Governance and further guidance from the Good Governance Institute. Following a scoping exercise for this work, we linked up with other health Boards, to learn from their own models and produce an overarching framework. The Board Assurance Framework was approved at the 25th of March 2025 meeting of the Board following development work including a Board Seminar on Active Governance held on 3rd December 2024.

In response to a request from Scottish Government colleagues, NHS Forth Valley submitted its Blueprint for Good Governance Board Development Plan 2024/25. This aligned to the work undertaken around the Board Self-Assessment and our Assurance and Improvement Plan and demonstrated alignment with the Blueprint for Good Governance. The Board considered a paper at its 25th March 2025: Progress Update: NHS Forth Valley Blueprint for Good Governance Board Development Plan 2024/25 and Plan for 2025/26. The Board closed off the Development Plan for 2024/25 with a significant number of actions complete and agreed a Plan for 2025/26, noting that this was an iterative plan which could be re-shaped during the course of the year. The actions carried over to the 2025/26 plan were:

- Equality, Diversity & Inclusion.
- Active Governance – Data and Triangulation.
- Undertaking a review (identified through the active governance session) of the Board's management of risk, including risk appetite and tolerance.
- Influencing culture.

In June 2025, the Audit & Risk Committee will review the 2024/25 assurance committees' performance by way of presentation and receipt of Annual Reports, drafted and approved by the respective committees. The annual reports of the assurance committees confirm compliance with their annual work plans and the fulfilment of their roles and remits. Assurance Committee annual reports are an opportunity to reflect on the year just gone and are used to consider overall progress and key issues going forward.

The Board Chair undertook a review of governance and has reported to the Board on multiple occasions in the year 2024/25. In September the Board agreed to revise the arrangements of the Performance & Resources Committee, dissolved the Escalation P&R Committee, noted the upcoming recruitment of additional Non-Executive Members and changes to Patient Safety Conversations. In November 2024 the Board agreed the timetable of meetings for Board, Committees and Seminars, noting indicative dates for Endowments Trustees Meetings for 2025 and 2026. The Board also received the outcome of the review of non-executive portfolio assignments. The Ethical Issues Sub-Committee was stood down and its work subsumed by the Clinical Governance Committee. The Governance Committee structure was reviewed and all memberships updated. A short life Task & Finish Group was established to support development of the Population Health & Care Strategy. As well as this a comprehensive review of the Code of Corporate Governance was undertaken and approved at the March 2025 Board meeting.

<u>Policies and Procedures</u>

The Board Standing Orders, including the Scheme of Delegation and Standing Financial Instructions, detail the governance arrangements under which the Board operates; the decisions retained for the Board; and the remits and proceedings of the Board Assurance Committees. The Standing Orders are reviewed, updated, and presented for approval annually to the NHS Board and as required throughout the year to take account of changes in policy.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

A review of the Code of Corporate Governance including Scheme of Delegation, Standing Orders, Standing Financial Instructions was presented at the NHS Forth Valley Board in March 2025[24].
All members of staff are responsible for compliance with relevant laws and regulations set out within the Standing Orders and other organisational policies. Organisational policies are reviewed regularly and are made available for access through the staff intranet site. Scottish Government Health & Social Care Directorates guidance documentation is logged and distributed internally for action and follow up by named individuals.

Staff Governance

Given the current pressures within health and social care, our staff are at risk of poor wellbeing, burnout, and moral injury, which in turn directly impacts upon our absence rates, turnover rates, talent retention, employee satisfaction and our ability to provide safe and effective person-centred care. Consequently, NHS Forth Valley fully understands and supports the necessity to make staff support and wellbeing a top priority with initiatives developed and implemented in line with national guidance.

The Business Code of Conduct Policy within the Code of Corporate Governance describes the minimum standards of conduct expected from all staff. The policy details the Board's regulations on a range of issues including gifts, hospitality, outside interests and secondary employment.

There is a clear mechanism in place to enable employee concerns to be dealt with quickly and effectively (Managing Employee Concerns Policy). The Area Partnership Agreement outlines the roles, responsibilities, and behaviours of Forth Valley NHS Board, managers, employees, and staff representatives. The Area Partnership Forum and Local Partnership fora aim to develop and promote a blame free culture which enables all employees to raise individual and collective concerns and to have these dealt with in a proactive, non-threatening way.

Whistleblowing is viewed by NHS Forth Valley as an important source of information that may highlight serious risks to the effectiveness and efficiency of the organisation, with individuals often being best placed to identify deficiencies and problems at the earliest opportunity.

NHS Forth Valley continues to promote a culture of speaking up and this remains a key priority. We aim to ensure that staff feel safe, supported, and have confidence in the fairness of the process whilst raising their concerns under the whistleblowing procedure.

In February 2020 following a national recruitment process Gordon Johnston, Non- Executive was appointed to the NHS Forth Valley Board as the Whistleblowing Champion in NHS Forth Valley. The role of the Whistleblowing Champion is to further promote a culture of openness and transparency in NHS Scotland, and to seek and provide assurance that their respective Health Boards are complying with the Whistleblowing Standards.

The Executive Nurse Director is the Lead for Whistleblowing and has the responsibility for ensuring the standards are fully implemented across the Board. This includes strengthening NHS Forth Valley's Whistleblowing arrangements and reporting in line with national requirements.

An update on the implementation of the Whistleblowing Standards and the Whistleblowing activity in NHS Forth Valley is presented to the Staff Governance Committee on a quarterly basis, with the Annual Report presented to the Board in May 2025[25].

[24] NHS Forth Valley Board Meeting Papers 25 March 2025
[25] NHS-Forth-Valley-Board-Meeting-Papers-27-May-2025.pdf

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Information Governance

Information Governance enables NHS Forth Valley, and those working within it, to ensure that information is handled legally, securely, efficiently, and effectively. Managing information well enables us to deliver the best possible care.

The Information Governance Unit (IGU) supports services to implement appropriate standards and practices to ensure NHS Forth Valley complies with a suite of legal obligations and best practice relating to the common law of confidentiality, data protection, access to information, records management, cyber security and the Caldicott principles. The IGU is accountable to the Medical Director / Caldicott Guardian, who is the Executive Lead for Information Governance, and to the Director of Finance who is the Senior Information Risk Owner (SIRO). Information Governance activity is monitored by the Information Governance Group which reports routinely to the Strategic Planning, Performance and Resources Committee.

Significant focus over the last year has been around continuing to mature NHS Forth Valley's Cyber Security arrangements, particularly in relation to improving Cyber Awareness amongst colleagues. The team has delivered monthly communications, including campaigns during Cyber Security Week and Cyber Security Month, which emphasised the threat caused by phishing. A guidance video and Halloween themed survey was developed to engage staff, which included an opportunity for colleagues to test their knowledge by 'Spotting the Phish'. The considerable work undertaken by both Information Governance and Digital teams was recognized in another positive audit outcome of our Network and Information Systems (NIS) arrangements in March 2025. Steady progress and an improvement of 10% from the previous year was noted with compliance at 90%. This was presented to the Strategic Planning Performance & Resources Committee in April 2025.

This year has continued to be challenging in terms of NHS Forth Valley's compliance with Freedom of Information laws. The number of information requests received have continued to rise and, despite the recruitment of a new Information Rights Officer, capacity within the Information Governance Unit has remained insufficient to meet ongoing demand. The Scottish Information Commissioner raised their intervention action to Level 3 in November 2024, and the Information Governance Unit is working closely with the Commissioner's office to provide assurance around the action being taken to address the gap in performance. Two further permanent Information Rights Officers are in the process of being recruited to the team.

The Information Governance Unit continues to work with services to improve and develop their information handling and records management arrangements. The Records Management team has supported the SharePoint pilot and is using this as an opportunity to review and update information asset data. The Data Protection and Cyber Security teams have also supported services across NHS Forth Valley through the assurance assessment of new systems and processes to ensure that services are delivered in a manner which complies with the law.

Colleagues are encouraged to report all potential data protection breaches and information security incidents (including near misses and low-level incidents or concerns) to the IGU. This is to ensure that NHS Forth Valley builds a culture where incidents are routinely reported and assessed, and opportunities to learn and / or take preventative action are identified. The IGU evaluates all reported incidents to assess the risk to the individual(s) involved and make recommendations. Where a data protection breach creates a high risk to the individual(s) concerned, the situation is reported to the UK Information Commissioner (ICO). Individuals can also refer complaints to the ICO directly. The number of reportable breaches remain low.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 13: ICO Reported Incidents by calendar year

ICO Reported Incidents	2022	2023	2024	2025 (Jan-Apr)
ICO Reported / Complaints received	6	1	3	2

It is recognised that NHS Forth Valley has some information governance compliance gaps, particularly at this time in relation to its response to Freedom of Information requests. This gap is, however, set within a broader context of effective information governance compliance and controls, meaning that a general assessment of reasonable assurance regarding NHS Forth Valley's information governance compliance was reported within the last Information Governance Annual Report presented to Committee in February 2025.

Communication

A range of communication tools and resources are used to update the public, patients, service users and staff on key service developments as well as provide health information and advice. This includes the NHS Forth website, staff intranet, social media channels, e-bulletins, local and national media.

NHS Forth Valley also works closely with partner organisations to coordinate stakeholder involvement in the design and delivery of local services and ensure health information and messages reach as many people as possible. NHS Forth Valley's Communications Framework 2023-2028[26] sets out key communications aims, principles and priorities for the organisation. This is supported by a range of policies and procedures including a Media and Communications Policy, a Social Media Policy and a new Participation and Engagement Framework (2025-2028).

NHS Boards are no longer required to produce a formal Annual Report as much of the financial and performance information previously included is now available in other reports and publications. However, NHS Forth Valley has continued to produce a short summary report to highlight key service developments, achievements, activity, and performance during the year. The summary report for 2023/2024[27] was presented to the NHS Board on 30th July 2024 and was published online and shared via social media. A new Performance Report[28] section has also been created on the NHS Forth Valley website to provide up-to-date information on waiting times for a range of outpatient, day and surgical procedures. This area of reporting will continue to evolve to include measures beyond waiting times. Work is also underway to introduce a new Patient Hub which will enable patients to view and respond to information on future appointments as well as a range of other relevant patient information and advice.

There are robust procedures in place for recording and investigating complaints in line with national guidance, to support members of the public to make a complaint or provide feedback regarding their care or treatment. Routine reporting on complaints and response times is in place to ensure learning from events is maximised at both operational and strategic level. Performance in 2024/25 has demonstrated improvement in comparison with the 2023/24 position however considerable improvement remains essential. The Clinical Governance Committee maintains an overview of the Complaints Handling Procedure (CHP) process and will continue to receive a Person-Centred Care Report which includes our performance and response to the CHP, key themes and learning from complaints, care opinion focussing on what was good and what could be improved.

[26] Communications Framework 2023 - 2028 (nhsforthvalley.com)

[27] Annual Report 2023-24

[28] NHS Forth Valley – Performance Report

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Health & Safety

Effective management of Health & Safety Risk is a fundamental cornerstone of good governance and internal control and is an essential component in delivery of the Health Board's corporate objectives. The Health and Safety Strategy and Governance Framework 2021-2024 was approved by NHS Forth Valley Board in September 2021. The Strategy and Governance Framework supported the Health Board to meet its legal and statutory obligations whilst pursuing a longer goal of exceeding those legal obligations. The document described NHS Forth Valley's governance framework for Health & Safety and the key objectives which constituted the focus of the three-year strategy. The Health and Safety Strategy and Governance Framework was reviewed and restructured as the Health & Safety Governance Framework 2025-2028. This was approved by the Health and Safety Committee on the 11th of February 2025.

The original strategy document ran until September 2024 with annual delivery plans developed for the period April to March each year, finishing in March 2025. Future delivery plans, including for 2025/26 will be developed from the objectives within the Health & Safety Governance Framework 2025-2028.

On 17th January 2025, the determination following a Fatal Accident Inquiry into the deaths by suicide of 2 inmates of HM Prison and Young Offenders Institution Polmont (HMP YOI Polmont) was issued. The sheriff made a total of 25 recommendations which might realistically prevent other deaths in similar circumstances. Changes have been made over the intervening six years to improve and strengthen prison health services and support in all three national prisons in the Forth Valley area however work was progressing to identify any actions required to further improve prison healthcare services and support the mental health and wellbeing of young people.

Health and Social Care Partnerships

The Public Bodies (Joint Working) (Scotland) Act 2014 established the framework for the integration of adult health and social care services in Scotland. Two Integration Joint Boards (IJBs) have been established in Forth Valley under the body corporate arrangement (Falkirk IJB, and Clackmannanshire and Stirling IJB) and were formally constituted in 2015/2016. The approved Integration Schemes set out the detail of the integration arrangement, including those services delegated by NHS Forth Valley to the IJBs. A review of integration schemes was completed in 2024 providing an opportunity to further strengthen integrated services, support future opportunities to enhance collaborative working and ensure accountabilities and responsibilities. This work was undertaken system-wide with work facilitated and led by an independent expert. The Falkirk Integration Scheme has been approved by all relevant parties and has been submitted to the Scottish Government for Ministerial approval. However, the Clackmannanshire & Stirling Integration Scheme has still to be fully approved with Clackmannanshire Council yet to indicate their agreement. Clackmannanshire Council has initiated the dispute resolution process in a bid to resolve the outstanding issues with the Scheme.

The NHS Director of Finance is responsible for providing the Chief Officer with regular financial information to allow them to manage their budgets. The NHS Director of Finance is also responsible for providing the Chief Finance Officer of the IJB with the financial information required by the integration scheme as expanded by subsequent agreements, to meet the reporting requirement to the IJB. In advance of each financial year a timetable is agreed with the IJB.

The Clackmannanshire and Stirling Strategic Commissioning Plan 2023-2033 sets out how services will be delivered across Clackmannanshire and Stirling the next 10 years. The Falkirk Strategic Plan 2023-2026 outlines how adult health and social care services will be delivered in Falkirk over the next three years. IJB meetings papers are publicly available

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

via the NHS Board website for both Partnerships and Information on IJBs can be accessed from the Board's website[29].

Whole system working continues to strengthen and is evident across a number of areas including planning, unscheduled care, financial planning, Anchor Institution work, and Mental Health and Psychological Services. This remains critical to further support development opportunities for service improvement and to maximise benefits of integration.

Best Value

In accordance with the principles of Best Value, the Board aims to embed quality at all levels throughout the organisation using models of continuous improvement, the ethos being quality is everyone's business with the links between frontline services to the Board. As part of this, Directors and managers are encouraged to review, identify, and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.

The Board Assurance Framework approved by the Board in March 2025[30] supported by our Performance Management Framework and our Risk Management Strategy provide a framework that supports the Board and its committees to discharge their overall governance responsibilities and aligns with the ethos of Best Value.

The Board Assurance Framework is designed to ensure that there are clear links between the governance responsibilities of the Board, the lines of accountability across the Executive Directors and the assurance activities of the Board's Governance Committees

Review of Performance

The performance of all NHS Boards is reviewed each year through Annual Review meetings which enable the Scottish Government to hold NHS Boards to account for the delivery of national standards and agreed local performance targets.

The NHS Forth Valley Annual Review was held on Monday 29th November 2024 at NHS Forth Valley headquarters in Stirling. The review was led by NHS Forth Valley's Interim Chair Neena Mahal MBE and formed part of a review of the Health Board's performance for 2023/24.

The Interim Chair and the Chief Executive had separate meetings with representatives from the Area Clinical Forum, Area Partnership Forum and local patients/carers on the mornings of the Review. There followed a public session in the afternoon where there was an opportunity to meet Board members and the Senior Leadership Team ahead of the formal public session.

The Chair was joined by Non-Executive and Executive members of the NHS Forth Valley Board and members of the Senior Leadership Team to highlight some of our key achievements and challenges over the last year as well as plans and priorities for the future. The presentation was followed by a question-and-answer sessions with a mix of questions taken from the floor and from a number pre-submitted ahead of the Annual Review Session.

A recording of the Public Session[31], the presentation[32] and the responses to the pre-submitted questions[33] are published on the NHS Forth Valley website.

[29] http://nhsforthvalley.com/about-us/health-and-social-care-integration/
[30] NHS Forth Valley Board Meeting Papers 25 March 2025
[31] NHS Forth Valley – Annual Review 2023 – 2024
[32] Annual-Review-2023-24-Chair-CEO-Presentation.pptx
[33] NHS-Forth-Valley-Annual-Review-2023-–-2024-QA.pdf

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- Executive Directors and Senior Managers who are responsible for developing, implementing, and maintaining internal controls across their areas.
- Work of the internal auditors, who submit to the Audit and Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control, and governance processes, together with recommendations for improvement.
- Comments made by the external auditors in their management letters and other reports.

Executive Directors and Senior Managers have provided me with formal written assurance and have confirmed that there are no known control issues, nor breaches of Standing Orders / Standing Financial Instructions other than the issues detailed below.

In maintaining the effectiveness of the system of internal control the Board Standing Orders, Standing Financial Instructions, Scheme of Delegation and Decisions reserved by the Board, were revised and approved at the Board Meeting on 25th March 2025 as detailed in the updated Code of Corporate Governance[34].

The work of Internal Audit and the assurances provided by the Chief Internal Auditor in relation to internal control are key assurance sources taken into account when the Chief Executive undertakes the annual review of internal controls. The audit work undertaken by Internal Audit in 2024/25 highlighted one audit with an audit opinion of limited assurance – Management of Sickness Absence. Key action points and recommendations have been highlighted along with management responses agreed.

The Chief Internal Auditor presented the findings from the Internal Control Evaluation 2024/25 to the 24th of January 2025 Audit and Risk Committee. The Internal Control Evaluation work was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team, and other papers. Internal Audit opinions were also informed by regular meetings with Directors and other senior officers and through fieldwork undertaken for specific audits during the year. The review evaluates whether the basic building blocks of a sound system of control, such as governance structures, strategies and monitoring mechanisms were in place and, where possible, considered available metrics to provide an assessment of whether these systems are operating as intended.

The Internal Control Evaluation 2024/25 contains 11 action points, intended to embed good governance principles and to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance.

Key themes emerging from the report included:

- Long term risks can only be mitigated through strategic change. Stakeholders must be consulted on change and their views must be considered in decision making to ensure quality of care and best value from available resources.
- Performance against national targets is mixed and continues to prove challenging in certain area. Improvements have been seen against the 62-day cancer target and some diagnostics. Significant challenges remain in achievement against the four 4-hour emergency access standard.

[34] NHS Forth Valley Board Meeting Papers 25 March 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- Improving performance within ongoing financial constraints remains challenging.
- There is strengthened executive leadership structures and expansion of the non-executive cohort.
- On 1st October 2024 the Board was deescalated from Stage 4 to Stage 3 in the Scottish Government Performance Escalation Framework. The Board recognises that there is more to do to ensure that the changes and improvements over the last two years are maintained and built on.
- The Strategic Planning, Performance & Resources Committee (SPPRC) met for the first time in December 2024 and replaces the Performance and Resources Committee (P&RC). As part of the year end assurance processes, an overt assessment is undertaken to ensure the intended benefits from the creation of the SPPRC are achieved and that there are no gaps or undue duplication in reporting.
- Clinical Governance work plans are being progressed in line with the timescales set out within the Clinical Governance Strategic Implementation Plan. Work to embed Realistic Medicine and Value Based Health and Care is progressing and will be central to delivering high value healthcare.
- Similar to other Boards, Significant Adverse Event Review (SAER) performance remains challenging, with improvement work underway.
- Work remains ongoing to develop the People Strategy, linked to the ongoing development of the Population Healthcare Strategy.
- Following the SGC full focused review of the Workforce Plans risk in December 2024, six 'absolutely critical' actions will be prioritised to ensure workforce planning ownership and processes are improved, to support the ambitions of service transformation.
- The Culture Change and Compassionate Leadership (CC&CL) Programme 'Culture & Leadership Improvement Action Plan' is in progress.
- The current significant financial and service challenge across health and social care will require NHS Forth Valley, the Councils, the IJBs, and the wider partnership to continue to work together effectively.
- The Financial Sustainability strategic risk has remained at a score of 25 for three years despite considerable efforts by the Board. Looking to the medium and longer term, financial sustainability remains a significant and enduring risk for all Health Boards and for NHS Forth Valley.
- The constraints in capital funding may impact on the Board's ability to address the pressures it is currently facing, as well as investing in longer-term reform such as innovation and technology.

Management has provided responses to address the 11 action points in 2025/26, with a number completed in 2024/25.

The final Internal Control Evaluation report was presented to the Staff Governance Committee, Clinical Governance Committee and Strategic Planning, Performance & Resources Committee in 2024/25 to ensure appropriate oversight and action.

The Internal Control Evaluation report provided a reasonable level of assurance on the overall system of controls.

The Annual Internal Audit Report provides assurance on the Board's internal control framework and provided an update on action to address the ICE recommendations. Their update concludes that the Board has adequate and effective governance, risk management and internal control arrangements in place and that the 2024/25 internal audit plan has been delivered in line with Public Sector Internal Audit Standards.

In addition, Internal Audit have not advised management of any concerns around the following:

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- Consistency of the Governance Statement with information that they are aware of from their work;
- The description of the process adopted in reviewing the effectiveness of the system of internal control and how these are reflected;
- The format and content of the Governance Statement in relation to the relevant guidance; and
- The disclosure of all relevant issues.

Further to this, Annual Service Audit Reports are commissioned by NHS National Services Scotland (NSS) to provide assurance to NHS Boards in respect of national payment arrangements for Family Health Service (FHS) contractors and various shared IT systems that are managed on behalf of NHS Scotland by NSS (including Atos, NSS digital and IT security support services) and more recently in respect of the South East Payroll Consortium for the provision of payroll services. Similarly, NHS Ayrshire and Arran provide an annual service audit in respect of their management of the National Single Instance financial ledger service on behalf of all NHS Boards. All service audit reports were prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) “Assurance Reports on Controls at a Service Organisation” issued by the International Auditing and Assurance Standards Board (“IAASB”).

For financial year 2024/25 unqualified opinions were provided in relation to the national single instance financial ledger service operated and maintained by NHS Ayrshire and Arran and Practitioner and Counter Fraud Services managed by NHS National Services Scotland. However, 2 qualified opinions were provided in relation to the Service Audits of Payroll and IT services which are both managed by NHS National Services Scotland. The basis of the qualified opinion relating to payroll reflected the outcome of controls testing in new additions, exception reporting and temporary payroll changes. The basis of the qualified opinion in relation to IT reflected the outcome of control testing relating to logical access to applications, operating systems and databases for MIDAS, OPTIX, PMSPS, DCVP/nDCVP and ePayroll. The exceptions that were identified through the testing process through both of these service audits are considered as minor qualifications by NHS National Services Scotland and do not represent an adverse audit opinion.

External Reviews

- Network and Information Systems Regulation

As NHS Forth Valley is an Operator of Essential Services (OES), the health board is subject to annual Network and Information Systems (NIS) Regulation audits by the Scottish Health Competent Authority (SHCA), which is the Scottish Government. The 2023/24 audit was the first audit of a new cycle, which involved being assessed against an updated framework and required evidence of compliance to be submitted for 427 controls.

The report received in March 2025, highlighted that NHS Forth Valley continues to perform well. The auditor recognised the audit preparation and quality of submissions provided by NHS Forth Valley and the clear commitment to the NIS Audit programme.

The board has achieved a high level of compliance across the organisation, with 16 categories and 59 of the 68 sub-categories achieving a compliance of 80% or more; 11 categories attained levels of over 90%. The board has therefore achieved two of the 80-80-0 Key Performance Indicators, with the third close to achievement; being prevented by only a single subcategory with <30% compliance. It was recognised that the board should gain assurance that the advanced 80-80-0 KPI was close to being attained.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Overall compliance is at 90%, which is an uplift of 10% from last year, a significant achievement. Moreover, the compliance profile of the board demonstrates strength across the organisation and a high level of performance.

Risk Assessment and Management

NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM. The NHS Board in approving its Risk Management Strategy 2022-2025 in July 2022 agreed an escalation process to ensure significant risks identified, that are deemed impossible or impractical to manage by a local team or function, are escalated appropriately following the Health Board's line management arrangements.

Throughout 2024/25, a schedule of assurance Focused Reviews was built into the Assurance Committee planners. Table 14 details the output from these focused reviews along with the assurance recommendation:

Table 14: Strategic Risk Focused Review Assurance Recommendations

Risk ID	Risk Title	Assurance Recommendation	Committee	Date
SRR002	Urgent & Unscheduled Care	Limited	Clinical Governance	March 2024
SRR003	Information Governance	Reasonable	Strategic Planning, Performance and Resources Committee	February 2025
SRR004	Scheduled Care	Reasonable	Clinical Governance Committee	September 2024
SRR005	Financial Sustainability	Limited and Reasonable	Strategic Planning, Performance & Resources Committee	February 2025
SRR009	Workforce Plans	Limited	Staff Governance Committee	December 2024
SRR010	Estates & Supporting Infrastructure	Reasonable	Performance and Resources Committee	October 2024
SRR011	Digital & eHealth – Infrastructure & Strategy	Reasonable	Performance and Resources Committee	June 2024
SRR014	Healthcare Strategy*	Reasonable	Performance and Resources Committee	April 2024
SRR015	Cyber Resilience	Reasonable	Strategic Planning, Performance and Resources Committee	Interim Position – February 2025
SRR016	Out of Hours*	Reasonable	Clinical Governance Committee	May 2024

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Risk ID	Risk Title	Assurance Recommendation	Committee	Date
SRR017	Environmental Sustainability & Climate Change	Limited	Performance and Resources Committee	August 2024
SRR018	Primary Care Sustainability	Limited	Staff Governance Committee	September 2024
SRR019	Culture & Leadership	Reasonable	Staff Governance Committee	July 2024
SRR020	Health Inequalities	No review undertaken this year as this is a new strategic risk.		

The Corporate Risk team act in an advisory capacity within the business areas, linking with other corporate functions, e.g., Corporate Portfolio Management Office, to enhance risk awareness and develop risk arrangements across the organisation.

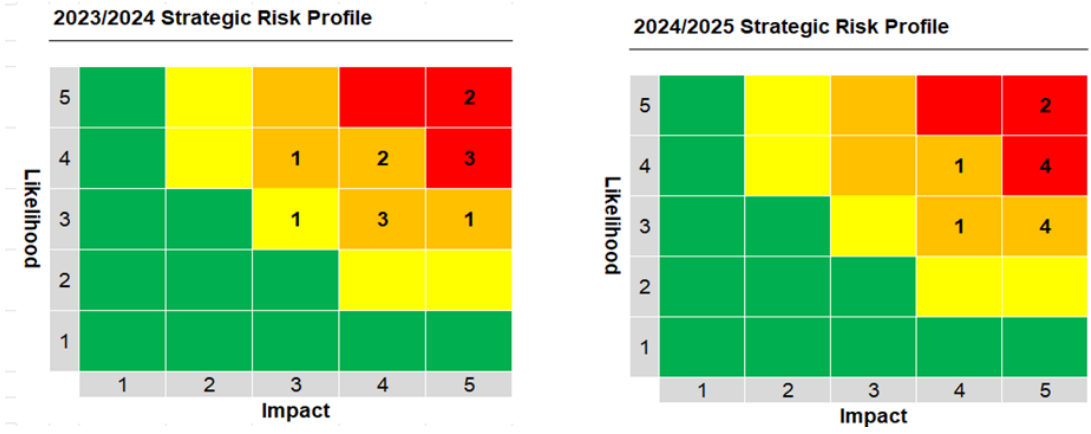
The Corporate Risk team deliver a Level 1 training package aimed at all staff and Level 2 training aimed at risk champions and risk leads. To date, 141 individuals attended the Level 2 training with 155 completing the Level 1. The scheduled programme of face-to-face training continues into 2025/2026.

The Strategic Risk Register was presented to the NHS Board on a quarterly basis, following oversight and scrutiny by the relevant Assurance Committees (Clinical Governance Committee; Performance and Resources Committee (then subsequently Strategic Planning, Performance & Resources Committee; Staff Governance Committee) and the Audit and Risk Committee. To further strengthen this arrangement, it was decided that the Strategic Risk Register will be presented to the NHS Board at every meeting to ensure appropriate oversight of the Strategic Risks.

The Strategic Risk Register contains high level risks requiring Board oversight and direction. As well as containing risks relating to Scheduled Care, Primary Care, Cyber Resilience, Estates & Infrastructure, Financial, Urgent and Unscheduled Care, and Culture & Leadership. Risks relating to other aspects of Board escalation are captured on the Organisational Risk Register.

Table 15 provides a comparison of the strategic risk profile at the end of March 2025 against the end of March 2024. The table shows a reduction of two risks from the Strategic Risk Register, now totalling 12 risks, however, it also shows the proportion of Very High risks increasing.

Table 15: Strategic Risk Profile Comparison



Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Table 16 highlights the specific changes in risk position over the last year and provides narrative on this.

Table 16: Strategic Risks March 2024 compared to March 2025

Risk ID	Risk Title	March 2024 Risk Score	March 2025 Risk Score	Assurance Committee
SRR002	**Urgent and Unscheduled Care** If we do not have enough whole system capacity and flow to address key areas of improvement, there is a risk that we will be unable to deliver safe, effective, and person-centred unscheduled care resulting in a potential for patient harm, increases in length of stay, placement of patients in unsuitable places, and a negative impact on patient & staff experience.	25	25	SPPRC
SRR005	**Financial Sustainability** If our recurring budget is not sufficient to meet the recurring cost base there is a risk there will be an increasing recurring gap in our finances, resulting in an inability to achieve and maintain financial sustainability, a detrimental impact on current/future service provision and an impact on our reputation.	25	25	SPPRC
SRR009	**Workforce Plans** If NHS Forth Valley does not implement effective, fully costed strategic workforce planning based on projected demand there is a risk that we will not have a sustainable workforce that is the right size, with the right skills and competencies, within an affordable budget, resulting in significant pressures on staff health and wellbeing, sub-optimal service delivery to the public and increasing pressure on our financial sustainability.	20	20	SGC
SRR015	**Cyber Resilience** If NHS Forth Valley do not maintain the effectiveness of current cyber security controls and implement improvements to security controls where possible. There is a risk that the cyber security of the organisation may be compromised Resulting in a significant disruption to the services delivered by the organisation and an impact to the confidentiality, integrity, and availability of systems and data.	20	20	SPPRC
SRR017	**Environmental Sustainability & Climate Change** If NHS Forth Valley does not maximise our available resources to implement our Climate Emergency & Sustainability Strategy, there is a risk that we will be unable to comply with DL38 and not meet requirements of the Scottish Government Climate Emergency & Sustainability Strategy resulting in an inability to operate in an environmentally sustainable manor, an inability to meet objectives, and damaging stakeholder/public confidence.	16	20	SPPRC

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Risk ID	Risk Title	March 2024 Risk Score	March 2025 Risk Score	Assurance Committee
SRR020	**Health Inequalities *NEW*** If NHS FV does not work with partners to influence the social determinants of health and the NHS does not create a healthcare system which can be accessed by all the people of Forth Valley, there is a risk that health outcomes do not improve, and health inequalities do not reduce or may even widen. This could result in reduced healthy life expectancy for the population, or for individual population groups, and a significant financial cost through increased need and demands on services."	-	20	SPPRC
SRR010	**Estates and Supporting Infrastructure** If a whole system, multidisciplinary approach is not applied, there is a risk that we will not make best use of available capital and revenue funding, via prioritisation and allocation, to fully proceed with existing Estates and Infrastructure plans, make new development plans, or maintain and enhance the existing estate. This will result in an inability to maintain and develop a suitable environment for modern and sustainable services.	16	16	SPPRC
SRR004	**Scheduled Care** If NHS FV does not consider and plan for current and future changes to population and associated demand/case-mix, there is a risk that the model for delivery of planned care will not meet demand or prioritise effectively, resulting in poorer patient outcomes, avoidable harm and failure to meet targets.	15	15	SPPRC
SRR018	**Primary Care Sustainability** If we do not have adequate resources to support and implement a Primary Care framework, there is a risk that we don't have effective measures to ensure delivery of primary care across Forth Valley, resulting in a failure to meet our statutory responsibilities.	20	15	SPPRC
SRR019	**Culture & Leadership** If NHS FV do not foster a cohesive culture with strong leadership, there is a risk that our people will not feel valued in their roles and understand how they feed into organisational success, resulting in a negative impact on staff morale, and an inability for FV to be resilient, agile and achieve long-term success.	12	15	SGC
SRR011	**Digital & eHealth – Infrastructure & Strategy** If NHS FV does not develop and effectively implement a Digital and eHealth strategy which enables transformation and improvement as well as minimising technical vulnerabilities, there is a risk that other key organisational strategies cannot fully deliver the intended benefits, or the IT infrastructure could fail, impacting on long-term sustainability and efficient and effective service delivery.	12	15	SPPRC

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Risk ID	Risk Title	March 2024 Risk Score	March 2025 Risk Score	Assurance Committee
SRR003	**Information Governance** If NHS Forth Valley fails to implement and embed effective and consistent Information Governance arrangements, there is a risk we would experience systemic compliance issues and inability to use our information assets effectively, resulting in reputational damage and potential legal breaches leading to financial penalties.	12	12	SPPRC
SRR014	**Healthcare Strategy *CLOSED*** If the new NHS Forth Valley Population Health & Care Strategy does not address population health and does not align with government policy and / or Integration Authorities Strategic Commissioning Plans there is a risk the Board's vision, corporate objectives and key priorities will not meet the needs of the population, resulting in inability to reduce health inequalities and an inability to reduce pressures on services, workforce and finance.	15	-	SPPRC
SRR016	**Out of Hours *CLOSED*** If the Forth Valley Health & Care system is unable to provide a fully staffed OOHS, taking an integrated, multidisciplinary approach whilst ensuring an appropriate skills mix, there is a risk that we will experience delays in the service to provide the appropriate clinical intervention to our patients, resulting in an inability to deliver care at the right time, right place by the right person.	12	-	SPPRC

Two risks have been closed from the Strategic Risk Register:

- SRR014 Healthcare Strategy – this risk has been closed as it has been subsumed into the new strategic risk on Health Inequalities.
- SRR016 Out of Hours – this risk has been closed as performance within the Out of Hours service has significantly improved over the duration of when this risk was placed on the SRR, and we have subsequently been de-escalated from enhanced observations by Sir Lewis Ritchie.

The following risk was added to the SRR:

- SRR020 Health Inequalities – as we move to be a population health organisation, with the development of a Population Health & Care Strategy, it was felt that we had a gap on our Strategic Risk Register around addressing Health Inequalities within Forth Valley.

Three risks have increased in score over the last year:

- SRR011 Digital & eHealth – Infrastructure & Strategy – **increased from 12 to 15.** The increase in this risk score was due to the findings in the focused review, which includes a review of the untreated assessment, and not to indicate a deteriorating position of the risk.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- SRR017 Environmental Sustainability & Climate Change – **increased from 16 to 20.** This year, the Scottish Government reduced the financial pool in which Boards could use to further embed and support the environmental agenda. Further work is also being completed to enhance our local control of this.

- SRR019 Culture & Leadership – **increased from 12 to 15.** Following a focused review and the findings of the Culture Change & Compassionate Leadership Programme, the risk was updated to reflect the outcomes of these.

One risk has decreased in score over the last year:

- SRR018 Primary Care Sustainability – **decreased from 20 to 15.** This risk has decreased over the last year due to a reframing of the risk. Further work is being discussed on this risk which is being brought to Committee into the next financial year.

Due to the updates to the Strategic Risk Register over the past year, including closure and addition of new risks, there are currently 12 Strategic Risks identified.

Disclosures

During the 2024/25 financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control. Attention is, however, drawn to the key strategic risks reported to Forth Valley NHS Board during 2024/25 and in particular to the Treatment Time Guarantee underpinned by statute.

Conclusion

As the appointed Accountable Officer, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31st March 2025.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

REMUNERATION AND STAFF REPORT

The remuneration and staff report sets out the entity's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors and where relevant the link between performance and remuneration. In addition, the report provides details on remuneration and staff that Parliament and other users of our financial statements are likely to see as key to accountability and transparency.

Remuneration Report

Remuneration Table 2024/25 (this information is subject to audit):

Remuneration of:		Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (Note a) (£'000)	Total Remuneration (Bands of £5,000)
Executive Members:							
Ross McGuffie, Chief Executive (from 01/10/24)		70 – 75 (Full Year Equivalent 140-145)	0 - 0	0.00	70 - 75	18	155 - 160
Amanda Croft, Chief Executive (to 30/09/24)		80 – 85 (Full Year Equivalent 160-165)	0 - 0	0.00	80 - 85	0	80 - 85
Graham Foster, Director of Public Health	(Note b)	115 - 120	0 - 0	0.00	115 - 120	0	115 - 120
Scott Urquhart, Director of Finance		115 - 120	0 - 0	0.00	115 - 120	73	185 - 190
Linda Donaldson, Director of HR (to 11/10/24)	(Note c)	85 – 90 (Full Year Equivalent 105-110)	0 - 0	0.00	85 - 90	0	85 - 90
Frances Dodd, Executive Nurse Director		125 - 130	0 - 0	0.00	125 - 130	86	215 - 220
Kevin Reith, Director of HR (from 1/10/24)		55 – 60 (Full Year Equivalent 110-115)	0 - 0	0.00	55 - 60	84	140 - 145
Andrew Murray, Medical Director		220 - 225	0 - 0	0.00	220 - 225	175	350 - 400
Non-Executive Members:							
Neena Mahal, Chair (from 01/04/24)	(Note d)	80 - 85	0 - 0	0.00	80 - 85	0	80 - 85
Allan Rennie	(Note e)	10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
David Wilson (from 23/09/24)		5 – 10 (Full Year Equivalent 10-15)	0 - 0	0.00	5 - 10	0	5 - 10
Gerard McGarvey (to 16/10/24)		5 – 10 (Full Year Equivalent 10-15)	0 - 0	0.00	5 - 10	0	5 - 10
Michele McClung	(Note f)	15 - 20	0 - 0	0.00	15 - 20	0	15 - 20
Wendy Hamilton (to 07/03/25)		10 – 15 (Full Year Equivalent 10-15)	0 - 0	0.00	10 - 15	0	10 - 15
Stephen McAllister	(Note g)	10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
Gordon Johnston	(Note h)	10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
Fiona Collie		10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
Kirstin Cassells		10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
John Stuart	(Note i)	10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
Martin Fairbairn	(Note j)	10 - 15	0 - 0	0.00	10 - 15	0	10 - 15
Robert Clark, Employee Director	(Note k)	50 - 55	0 - 0	0.00	50 - 55	26	75 - 80
Total				**0.00**		**462**	

Notes:

(a) Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme, employees have the option to opt out of the scheme. Amanda Croft had opted out of the pension arrangements and therefore no pension benefits are included in respect of her post during the 2024/25 reporting year.

(b) Graham Foster's Remuneration figure reflects a period of absence during the reporting year.

(c) Linda Donaldson's Remuneration includes an exit package of £29,987.26.

(d) Neena Mahal's Remuneration figure was approved by the Scottish Government Remuneration Group as it is higher than the figure quoted in DL(2024)30.

(e) Allan Rennie received £2,850 for additional hours.

(f) Michelle McClung received £5,850 for additional Non-Executive allowance and £1,950 for additional hours.

(g) Stephen McAllister received £1,950 for additional hours.

(h) Gordon Johnstone received £1,950 for additional hours.

(i) John Stuart received £1,950 for additional hours.

(j) Martin Fairbairn received an additional £1,950 for additional hours.

(k) The Employee Director's salary includes £35,000 to £40,000 in respect of non-Board duties and the Employee Director's pension benefits are also in respect of non-Board duties.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Remuneration Table 2023-24 (this information is subject to audit):

Remuneration of:	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (Note a) (£'000)	Total Remuneration (Bands of £5,000)
Executive Members:						
Catherine Cowan, Chief Executive (to 10/03/24) (Note b)	215-220 (Full Year Equivalent 145-150)	0 - 0	0	215-220	0	215-220
Amanda Croft, Chief Executive (from 11/09/23) (Note c)	115-120 (Full Year Equivalent 150-155)	0 - 0	0	115-120	0	115-120
Graham Foster, Director of Public Health	115-120	0 - 0	0	115-120	95	210-215
Scott Urquhart, Director of Finance	110-115	0 - 0	0	110-115	18	130 -135
Linda Donaldson, Director of HR	110-115	0 - 0	0	110-115	0	110-115
Frances Dodd, Executive Nurse Director	125-130	0 - 0	1.06	125-130	75	200-205
Andrew Murray, Medical Director	205-210	0 - 0	0	205-210	10	215-220
Non-Executive Members:						
Janie McCusker, Chair (to 29/02/24)	30-35 (Full Year Equivalent 30-35)	0 – 0	0	30-35	0	30-35
Allan Rennie, Chair (from 01/03/24) (Note d)	10-15	0 – 0	0	10-15	0	10-15
Daniel Gibson (to 27/06/23)	0-5 (Full Year Equivalent 5-10)	0 – 0	0	0-5	0	0-5
Gerard McGarvey (from 29/06/23)	5-10 (Full Year Equivalent 5-10)	0 – 0	0	5-10	0	5-10
Michele McClung	15-20	0 – 0	0	15-20	0	15-20
Wendy Hamilton	5-10	0 – 0	0	5-10	0	5-10
Stephen McAllister	5-10	0 – 0	0	5-10	0	5-10
Gordon Johnston	5-10	0 – 0	0	5-10	0	5-10
Fiona Collie	5-10	0 – 0	0	5-10	0	5-10
Kirstin Cassells	5-10	0 – 0	0	5-10	0	5-10
John Stuart	5-10	0 – 0	0	5-10	0	5-10
Martin Fairbairn	5-10	0 – 0	0	5-10	0	5-10
Robert Clark, Employee Director (Note e)	45-50	0 – 0	0	40-45	11	55-60
Total			**1.06**		**209**	

Notes:

(a) Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme, employees have the option to opt out of the scheme. Catherine Cowan and Amanda Croft had opted out of the pension arrangements and therefore no pension benefits are included in respect of their posts during the 2023/24 reporting year.

(b) Catherine Cowan's Remuneration figure includes an exit package of £70,347.00.

(c) Amanda Croft's Remuneration figure includes £34,596.07 of Relocation Expenses.

(d) Allan Rennie's Remuneration figure includes allowance for covering The Chair post from 1st March 2024 at £2,565.48.

(e) The Employee Director's salary includes £35,000 to £40,000 in respect of non-Board duties and the Employee Director's pension benefits are also in respect of non-Board duties.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Pensions Values Table 2024/25 (this information is subject to audit):

Remuneration of:	Total accrued pension at pensionable age at 31 March 2025 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2025 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2025 (Bands of £2,500)	CETV at 31 March 2024 (£000)	CETV at 31 March 2025 (£000)	Real increase in CETV in year (£000)*
Executive Members:							
Ross McGuffie, Chief Executive (from (1/10/24)	0 - 5	0 - 0	0 - 2.5	0 - 0	0	7	7
Amanda Croft, Chief Executive (to 30/09/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Graham Foster, Director of Public Health	30 - 35	85 - 90	0.00	0.00	1,085	814	(271)
Scott Urquhart, Director of Finance	45 - 50	115 - 120	2.5 - 5	5 - 7.5	874	946	72
Linda Donaldson, Director of HR (to 11/10/24)	55 - 60	150 - 155	0 - 2.5	0.00	1,363	1,371	8
Frances Dodd, Executive Nurse Director	60 - 65	160 - 165	2.5 - 5	5 - 7.5	1,327	1,424	97
Kevin Reith, Director of HR (from 01/10/24)	25 - 30	65 - 70	2.5 - 5	5 - 7.5	535	619	84
Andrew Murray, Medical Director	95 - 100	255 - 260	7.5 - 10	15 - 17.5	2,130	2,336	206
Non-Executive Members:							
Neena Mahal, Chair (from 01/04/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
David Wilson (from 23/09/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gerard McGarvey (to 16/09/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Wendy Hamilton (to 07/03/25	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Kirstin Cassells	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Stuart	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Martin Fairbairn	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Robert Clark, Employee Director	15 - 20	50 - 55	0 - 2.5	0 - 5	427	457	30
Total							**233**

* negative values represent a real terms decrease in the CETV funded by the employer after taking account of inflation

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20-year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year. Amanda Croft opted out of the pension arrangements and therefore no pension values are included in respect of her post during the 2024/25 reporting year.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1st April 2015 and 31st March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31st March 2012 and were members of a public service pension scheme between 1st April 2015 and 31st March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the NHS Scotland scheme for the period from 1st April 2015 to 31st March 2022.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Pensions Values Table 2023-24 (this information is subject to audit):

Remuneration of:	Total accrued pension at pensionable age at 31 March 2024 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2024 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2024 (Bands of £2,500)	CETV at 31 March 2023 (£000)	CETV at 31 March 2024 (£000)	Real increase in CETV in year (£000)*
Executive Members:							
Catherine Cowan, Chief Executive (to 10/03/24)	0 - 0	0 – 0	0 – 0	0 – 0	0	0	0
Amanda Croft, Chief Executive (from 11/09/23)	0 - 0	0 – 0	0 – 0	0 – 0	0	0	0
Graham Foster, Director of Public Health	40 - 45	120 - 125	5 - 7.5	7.5 - 10	1,986	1,068	(919)
Scott Urquhart, Director of Finance	50 - 55	105 - 110	0 - 2.5	0 - 0	773	858	85
Linda Donaldson, Director of HR	50 - 55	150 - 155	0 - 2.5	0 - 0	1,181	1,340	159
Frances Dodd, Executive Nurse Director	50 - 60	150 - 155	2.5 - 5	5 – 7.5	1,032	1,305	273
Andrew Murray, Medical Director	85 - 90	235 - 240	0 - 2.5	0 - 0	2,002	2,094	92
Non-Executive Members:							
Janie McCusker, Chair (to 29/02/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie, Chair (from 01/03/24)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Daniel Gibson (to 27/06/23)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gerard McGarvey (from 29/06/23)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Wendy Hamilton	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Kirstin Cassells	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Stuart	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Martin Fairbairn	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Robert Clark, Employee Director	15 - 20	45 - 50	0 - 2.5	0 - 0	421	419	(2)
Total							**(312)**

* negative values represent a real terms decrease in the CETV funded by the employer after taking account of inflation

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20-year period, which is the estimated life span following retirement. The 'total earnings in year' column shows the remuneration relating to actual earnings payable in year. Catherine Cowan had opted out of the pension arrangements and therefore no pension values are included in respect of her post during the 2023/24 reporting year.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Fair Pay Disclosure (this information is subject to audit)

In accordance with the FReM and the NHS Scotland Annual Accounts Manual, NHS Boards are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The table below summarises the % change and ratio of the highest paid director's remuneration compared to the median, 25th percentile and 75th percentile remuneration of the workforce.

	2025	**2024**	**% Change**
Range of Staff Remuneration	£11,700 to £236,788	£9,030 to £276,583	-14.38% to 29.57%
Highest earning Director's total remuneration	£222,500	£207,500	7%
Median (total pay & Benefits)	£40,882	£38,532	6%
Median (salary only)	£40,882	£38,466	6%
Ratio	5.44	5.41	1%
25th Percentile (total pay & Benefits)	£31,904	£30,229	6%
25th Percentile (salary only)	£31,904	£30,229	6%
Ratio	6.97	6.86	2%
75th Percentile (total pay & Benefits)	£51,309	£48,503	6%
75th Percentile (salary only)	£51,309	£48,352	6%
Ratio	4.34	4.24	2%

The changes in the percentages and ratios presented in the table above are consistent with the pay reward and progression policies of NHS Scotland as per circulars PCS(AFC)2024/5, PCS(DD)2024/1 and PCS(ESM)2024/2 and also reflect changes in the profile and skill mix of the workforce during the reporting period.

In line with the previous year, the Medical Director was the highest paid Director of the NHS Board. The mid-point of the banded remuneration of the Medical Director (excluding pension benefits) in financial year 2024/2025 was £222,500 This is 5.44 times higher than the median remuneration of the workforce which was £40,891 (including total pay and benefits, excluding pension benefits).

In 2024/2025, 8 employees received remuneration in excess of the highest paid director (the equivalent number in the previous financial year was 12 employees). The range of remuneration across all staff groups was £11,700 to £236,788 during 2024/25 (2023/2024 equivalent was £9,030 to £276,583).

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Staff Report

Higher Paid Employees' Remuneration

	2025 Number	2024 Number
Other employees whose remuneration fell within the following ranges:		
Clinicians		
£70,001 to £80,000	24	29
£80,001 to £90,000	28	26
£90,001 to £100,000	31	28
£100,001 to £110,000	29	45
£110,001 to £120,000	33	41
£120,001 to £130,000	40	53
£130,001 to £140,000	31	32
£140,001 to £150,000	45	16
£150,001 to £160,000	24	16
£160,001 to £170,000	16	17
£170,001 to £180,000	15	13
£180,001 to £190,000	19	7
£190,001 to £200,000	12	6
£200,001 and above	24	9

The increase in higher level bandings is mainly due to a 10% pay increase and rise in discretionary points in the reporting period which has resulted in more people moving into a higher bracket.

Other		
£70,001 to £80,000	76	47
£80,001 to £90,000	28	22
£90,001 to £100,000	11	10
£100,001 to £110,000	6	2
£110,001 to £120,000	2	4
£120,001 to £130,000	5	3
£130,001 to £140,000	0	0
£140,001 to £150,000	1	0
£150,001 to £160,000	0	1
£160,001 to £170,000	0	0
£170,001 to £180,000	0	0
£180,001 to £190,000	0	0
£190,001 to £200,000	0	0
£200,001 and above	0	0

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Staff Numbers and Related Expenditure (this information is subject to audit)

Staff Costs	Executive Board Members £000	Non-Exec. Members £000	Permanent Staff £000	Inward Secondees £000	Other Staff £000	Outward Secondees £000	2025 Total £000	2024 Total £000
Salaries and Wages	616	239	315,920	0	0	0	**316,775**	306,957
Taxation & Social Security	113	22	34,412	0	0	0	**34,547**	31,484
NHS scheme employers' costs	157	9	65,148	0	0	0	**65,314**	55,470
Other employers' pension costs	0	0	0	0	0	0	**0**	0
Secondees	0	0	0	6,209	0	(2,954)	**3,255**	6,186
Agency and other staff	0	0	0	0	32,112	0	**32,112**	19,378
Total	**886**	**270**	**415,480**	**6,209**	**32,112**	**(2,954)**	**452,003**	**419,475**
Included in the total Employee Expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							**0**	0

Staff Numbers

Whole time equivalent (WTE)	**8**	**13**	**6,300**	**79**	**549**	**(53)**	**6,896**	6,565
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							**0**	0
Included in the total staff numbers above were disabled staff of:							**94**	74
Included in the total staff numbers above were Special Advisers of:							**0**	0

Reconciliation to income and expenditure:

	£000	
Total employee expenditure as above	452,003	From staff report disclosure
Add: employee income included in Note 4	2,954	From note 4, secondee income
Less: staff on capital projects	0	From staff report disclosure
Total employee expenditure disclosed in note 3	**454,957**	

Staff composition – an analysis of the number of persons of each sex who were directors and employees is presented below. For the purposes of this analysis, senior employees are defined as those earning over £70,000 p.a.

	2025				Restated 2024*			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	5	1	0	6	3	4	0	7
Non-Exec. Directors and Employee Director	7	4	0	11	8	5	0	13
Senior Employees	237	258	0	495	214	206	0	420
Other	785	6,038	0	6,823	789	5,939	0	6,728
Total Headcount	**1,034**	**6,301**	**0**	**7,335**	**1,014**	**6,154**	**0**	**7,168**

* 2024 staff numbers have been restated to correct a prior year error which has increased the total headcount in 2024 by 73.

The figures in the above table for Executives and Non-Executives and Senior employees are headcount numbers, based on the total number of individuals in post during the year, which are reported on elsewhere in this report. The figures for other staff are based on those in post on 31st March 2025.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Sickness absence data

	2025	2024
Sickness absence rate	7.52%	7.30%

Staff turnover data

	2025	2024
Staff turnover rate	8.14%	9.26%

Staff Policies relating to the employment of disabled persons

Staff policies were applied during the financial year relating to the employment of disabled persons.

- For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;
- For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board; and
- Otherwise for the training, career development and promotion of disabled persons employed by the Board.

NHS Forth Valley was awarded “Disability Confident Leader” status in March 2023.

Other Employee Matters

In 2024/25 we reported to Staff Committee Government Committee and Area Partnership Forum Workforce Information which includes Workforce Composition and Distribution, Turnover, Age Profile, Ethnic Origin, Gender and Religion.

A suite of policies, procedures and guidance are available to help ensure a fair and consistent approach to employment issues including: Recruitment and Selection; Flexible Working; Dignity at Work, Performance Appraisal; Maternity, Paternity and Adoption Leave; Grievance; Hate Incident Protocol; Special Leave Policy, Shared Parental Leave Policy, Transitioning at Work Protocol and Equality, Diversity & Human Rights Policy.

Phase 2.2 of the national “Once for Scotland” policies were due to be launched in Spring 2025, however this has been paused by the Scottish Government as they take time to consider the impact of recent Supreme Court Judgements. The policies when issued will comprise of:

- Equality, Diversity and Inclusion
- Gender-Based Violence
- Facilities Arrangements for Trade Unions and Professional Organisations
- Personal Development Planning and Performance Review (PDPPR)
- Employment Checks
- Fixed Term Contracts
- Secondment
- Redeployment

and guides:

- Racism
- Reasonable adjustments
- Sexual harassment
- Transitioning

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Development of Phase 3 of the national “Once for Scotland” policies has now commenced and are due to be launched in Autumn 2025.

NHS Forth Valley has a strong history of excellent partnership working. Our Employee Director works with Human Resources on a number of Partnership areas. The Area Partnership Forum, co-chaired by the Chief Executive and Employee Director meets monthly, there are local partnerships for Acute, Estates and Facilities, and our two Joint Staff Forum for Health & Social Care Partnerships.

The Health and Safety Department provides a comprehensive range of services, specialist advice helps managers manage risk and health and safety issues affecting staff, patients and visitors etc. The department also provides a range of information for staff to access. The work closely with other departments and groups within NHS Forth Valley including Occupational Health, Infection Control, Training & Development, Clinical Governance and The Risk Network group to ensure a quality approach. Incidents are reported electronically via Safeguard.

The Turas Appraisal systems is used to record staff Personal Development Plan Review (PDPR) progress including identification of Objectives and Personal Development Planning. Talent Management and Succession Planning are key priorities within NHS Forth Valley and support the Board’s strategic direction in supporting our workforce, attracting, retaining and developing a capable and sustainable workforce fit for the future. We are implementing this across the organisation. This process will support short, medium and long term career planning for both managers and employees and is designed to ensure a supply of skilled and appropriately trained staff who are enabled to be job ready and can apply for posts as they become available. This process is crucial to recruitment and retention and invaluable to reinforcing our development culture.

Not all staff aspire to obtain promotion, some may prefer to remain within their current role and develop skills to enhance effectiveness or move across the organisation. Effective career conversations and access to tailored support can be invaluable to support this process and retain staff particularly during periods of transformational change. We are providing guidance on career development conversations for managers to support robust and effective dialogue on personal development.

Exit packages (this information is subject to audit)

2025			
Exit Package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	0	1	1
£10,000 - £25,000	0	1	1
£25,000 - £50,000	0	0	0
£50,000 - £100,000	0	0	0
£100,000 - £150,000	0	1	1
£150,000 - £200,000	0	0	0
£200,000 -	0	0	0
£250,000 >£250,000	0	0	0
Total number of exit packages by type	**0**	**3**	**3**
Total resource cost (£000)	**0**	**148**	**148**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

2024			
Exit Package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10,000	0	1	1
£10,000 - £25,000	0	1	1
£25,000 - £50,000	0	0	0
£50,000 - £100,000	0	1	1
£100,000 - £150,000	0	1	1
£150,000 - £200,000	0	0	0
£200,000 -	0	0	0
£250,000 >£250,000	0	0	0
Total number of exit packages by type	**0**	**4**	**4**
Total resource cost (£000)	**0**	**213**	**213**

Trade Union regulations

Relevant Union Officials	
Number of employees who were relevant union officials during the period 1st April 2024 to 31st March 2025	Full-time equivalent employee number
31	27.24
Percentage of time spent on facility time	
Percentage of time	**Number of representatives**
0%	8
1-50%	18
51-99%	2
100%	3
Percentage of pay bill spent on facility time	
Total cost of facility time	£296,982
Total pay bill	£454,957,592
Percentage of the total pay bill spent on facility time	0.07%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours.	100%. All time spent on trade union activity is paid for any trade union representative.

PARLIAMENTARY ACCOUNTABILITY REPORT

Losses and Special Payments (this information is subject to audit)

On occasion the Board is required to write off balances which are no longer recoverable. Losses and special payments over £0.300m require formal approval to regularise such transactions and their notation in the annual accounts.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

The write-off of the following losses and special payments has been approved by the Board:

	No. of cases	£000
Losses	481	4,569

In the year to 31st March 2025, the following balances were settled:

Reference	Description	£000
CNORIS	Total claims paid under the CNORIS scheme	4,515

In 2024/25, the Board was required to pay out 4 claims individually greater than £300,000 settled under the CNORIS scheme (2023-24: 2 claims). Further details can be found in Note 1 (Accounting policies) of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in Note 13a.

Fees and Charges (this information is subject to audit)

During 2024/25, there were no charges for services provided on a full costs basis at greater than £1m.

Approval of the Accountability Report

The Accountability Report is approved for issue.

Signed by:
Ross McGuffie
5FF6E3904D1149B...

Mr Ross McGuffie
Chief Executive
29th July 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Independent auditor's report to the members of NHS Forth Valley, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NHS Forth Valley and its group for the year ended 31 March 2025 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, Consolidated Statement of Financial Position, the Statement of Consolidated Cash Flows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In our opinion the accompanying financial statements:

- give a true and fair of the state of affairs of the board and its group as at 31 March 2025 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively,

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may cast significant doubt on the ability of the board and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the board and its group. However, we report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer and Director of Finance as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- inquiring of the Accountable Officer and Director of Finance concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the National Health Service (Scotland) Act 1978 and the Public Bodies (Joint Working) Scotland Act 2014;

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limits allocated by the Scottish Government and tested a sample of accruals, prepayments, payments made and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or

- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit; or

- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Use of Our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Ian Howse, (for and on behalf of Deloitte LLP)
Fusion Point,
2 Dumballs Road,
Cardiff,
CF10 5BF

29th July 2025

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Statement of Consolidated Comprehensive Net Expenditure

For the Year Ended 31 March 2025

Restated* 2024 £000		Note	2025 £000
422,571	Employee expenditure	3a	454,957
	Other operating expenditure:	3b	
105,531	Independent Primary Care Services		114,973
141,503	Drugs and medical supplies		159,886
633,076	Other health care expenditure		712,051
1,302,681	Gross expenditure for the year		1,441,867
(462,131)	Less: operating income	4	(488,190)
10,216	Associates and joint ventures accounted for on an equity basis		3,901
850,766	**Net expenditure for the year**		**957,578**

Other Comprehensive Net Expenditure

Restated* 2024 £000		2025 £000
	Items which will not be reclassified to net expenditure:	
(22,629)	Net (gain)/loss on revaluation of Property Plant and Equipment	(13,297)
(196)	Net (gain)/loss on revaluation of Investments	90
(22,825)	Other Comprehensive Expenditure	(13,207)
827,941	**Comprehensive net Expenditure**	**944,371**

*The 2024 balances have been restated to correct a transition error relating to IFRS16. The impact of this correction is a reduction of £119,742k in other Non Cash Costs. In addition, there has been a restatement to reflect the impact of removing utility costs from the remeasurement of the PFI liability under IFRS16. The impact has been a reduction of £1,295k in Other Healthcare Expenditure affecting the PFI liability and reduction of £1,295k in Other Operating Income affecting the SGHSCD creditor.

The Notes to the Accounts, numbered 1 to 23, form an integral part of these Accounts.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Consolidated Statement of Financial Position

For the Year Ended 31 March 2025

Restated* Consolidated 1 April 2023 £000	Restated* Board 1 April 2023 £000	Restated* Consolidated 31 March 2024 £000	Restated* Board 31 March 2024 £000		Note	Consolidated 31 March 2025 £000	Board 31 March 2025 £000
				Non-current assets			
594,655	594,655	604,710	604,710	Property, plant and equipment	7a	609,178	609,178
536	536	380	380	Intangible assets	6	281	281
7,032	7,032	7,003	7,003	Right of Use assets	17a	7,055	7,055
				Financial assets:			
3,590	560	4,114	981	Investments	10	4,017	1,088
25,778	0	15,562	0	Investments in associates and joint ventures		11,661	0
34,903	34,903	27,956	27,956	Trade and other receivables	9	7,171	7,171
666,494	**637,686**	**659,725**	**641,030**	**Total non-current assets**		**639,363**	**624,773**
				Current Assets			
2,639	2,639	2,824	2,824	Inventories	8	3,272	3,272
				Financial assets:			
24,578	24,540	33,852	33,822	Trade and other receivables	9	43,654	43,734
362	36	325	48	Cash and cash equivalents	11	300	35
27,579	**27,215**	**37,001**	**36,694**	**Total current assets**		**47,226**	**47,041**
694,073	**664,901**	**696,726**	**677,724**	**Total assets**		**686,589**	**671,814**
				Current liabilities			
(15,751)	(15,751)	(16,673)	(16,673)	Provisions	13a	(33,054)	(33,054)
				Financial liabilities:			
(134,430)	(134,222)	(107,992)	(107,841)	Trade and other payables	12	(126,909)	(126,946)
(150,181)	**(149,973)**	**(124,665)**	**(124,514)**	**Total current liabilities**		**(159,963)**	**(160,000)**
543,892	**514,928**	**572,061**	**553,210**	**Non-current assets plus/less net current assets/liabilities**		**526,626**	**511,814**
				Non-current liabilities			
(69,419)	(69,419)	(62,639)	(62,639)	Provisions	13a	(42,924)	(42,924)
				Financial liabilities:			
(347,394)	(347,394)	(315,371)	(315,371)	Trade and other payables	12	(304,764)	(304,764)
(416,813)	**(416,813)**	**(378,010)**	**(378,010)**	**Total non-current liabilities**		**(347,688)**	**(347,688)**
127,079	**98,115**	**194,051**	**175,200**	**Assets less liabilities**		**178,938**	**164,126**
				Taxpayers' Equity			
(92,347)	(92,347)	(31,717)	(31,717)	General fund	SoCTE	(50,843)	(50,843)
190,462	190,462	206,917	206,917	Revaluation reserve	SoCTE	214,969	214,969
25,778	0	15,562	0	Other reserves - associates and joint ventures	SoCTE	11,661	0
3,186	0	3,289	0	Fund held on Trust	SoCTE	3,151	0
127,079	**98,115**	**194,051**	**175,200**	**Total taxpayers' equity**		**178,938**	**164,126**

*The 2024 balances have been restated to remove the impact of utility costs from the remeasurement of the PFI liability under IFRS16. This resulted in a £64,191k reduction in the PFI liability with a corresponding increase in the General Fund relating to a correction to the cumulative catch-up approach which was effective from 1st April 2023. The 2023 balances have also been restated as a comparison to show the net impact of the PFI liability remeasurement at 1st April 2023, resulting in an increase of £55,551k in the PFI liability with a corresponding decrease in the General Fund.

Adopted by the Board on 29th July 2025

Signed by: Scott Urquhart F43DBB35F-A494C7... ..... Director of Finance

Signed by: Ross McGuffie 5FF6E3904D1149B... .....Chief Executive

The Notes to the Accounts, numbered 1 to 23, form an integral part of these Accounts.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Statement of Consolidated Cashflows

For the Year Ended 31 March 2025

Restated* 2024 £000		Note	2025 £000	2025 £000
	Cash flows from operating activities			
(850,766)	Net expenditure	SoCTE	(957,578)	
13,720	Adjustments for non-cash transactions	2b	27,792	
18,477	Add back: interest payable recognised in net operating expenditure	2b	14,967	
(80)	Deduct: interest receivable recognised in net operating expenditure	4	(38)	
(30,356)	Movements in working capital	2b	22,735	
(849,005)	**Net cash outflow from operating activities**	23c		**(892,122)**
	Cash flows from investing activities			
(13,403)	Purchase of property, plant and equipment		(9,354)	
(1,158)	Investment additions	10	(876)	
1,099	Proceeds of disposal of property, plant and equipment	7a	172	
638	Receipts from sale of investments		847	
80	Interest received		38	
(12,744)	**Net cash outflow from investing activities**	23c		**(9,173)**
	Cash flows from financing activities			
894,913	Funding	SoCTE	929,258	
13	Movement in general fund working capital	SoCTE	(14)	
894,926	Cash drawn down		929,244	
(14,737)	Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts		(13,007)	
(151)	Interest paid	2b	(137)	
(18,326)	Interest element of leases and on-balance sheet PFI / PPP and Hub contracts		(14,830)	
861,712	**Net Financing**	23c		**901,270**
(37)	**Net Increase / (decrease) in cash and cash equivalents in the period**			**(25)**
362	**Cash and cash equivalents at the beginning of the period**			
325	**325 Cash and cash equivalents at the end of the period**			**300**
	Reconciliation of net cash flow to movement in net debt/cash			
(37)	Increase/(decrease) in cash in year			**(25)**
362	Net debt/cash at 1 April			**325**
325	**Net debt/cash at 31 March**	11		**300**

* 2024 figures have been restated to show PFI and lease non cash adjustments separately from capital repayments. The impact of this is a reduction of £16,139k in the capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts and reduction of £16,139k in adjustments for non-cash transactions.

The impact of utility costs has also been removed from the measurement of PFI liability under IFRS16, the impact of this is a £1,295k reduction in adjustments for non cash transactions and £1,295k reduction in movements in working capital.

The Notes to the Accounts, numbered 1 to 23, form an integral part of these Accounts.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Consolidated Statement of Changes in Taxpayers' Equity

For the Year Ended 31 March 2025

	Note	General Fund £000	Revaluation Reserve £000	Associates & Joint Ventures £000	Funds Held in Trust £000	Total Reserves £000
Restated Balance at 1 April 2024*		(31,717)	206,917	15,562	3,289	**194,051**
Changes in taxpayers' equity for 2024-25						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	12,976	0	0	12,976
Net gain / (loss) on revaluation of investments		0	0	0	(90)	(90)
Net gain / (loss) on revaluation of Right-of-Use assets	17a	0	321	0	0	321
Impairment of property, plant and equipment		0	(204)	0	0	(204)
Revaluation and impairments taken to operating costs	2b	0	204	0	0	204
Transfers between reserves		5,245	(5,245)	0	0	0
Other non cash costs		0	0	0	0	0
Net operating cost for the year	23c	(953,629)	0	(3,901)	(48)	(957,578)
Total recognised income and expense for 2024-25		(948,384)	8,052	(3,901)	(138)	(944,371)
Funding:						
Drawn down	CFS	929,244				929,244
Movement in General Fund (Creditor) / Debtor	CFS	14				14
Balance at 31 March 2025	SoFP	**(50,843)**	**214,969**	**11,661**	**3,151**	**178,938**

PRIOR YEAR

	Note	General Fund £000	Revaluation Reserve £000	Associates & Joint Ventures £000	Funds Held in Trust £000	Total Reserves £000
Balance at 1 April 2023		(36,796)	190,462	25,778	3,186	**182,630**
Retrospective restatements for changes in accounting policy and material errors		(55,551)	0	0	0	**(55,551)**
Restated balance at 1 April 2023*		(92,347)	190,462	25,778	3,186	**127,079**
Changes in taxpayers' equity for 2023-24						
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	22,507	0	0	22,507
Net gain / (loss) on revaluation of investments		0	0	0	196	196
Net gain / (loss) on revaluation of Right-of-Use assets	17a	0	122	0	0	122
Impairment of property, plant and equipment		0	(998)	0	0	(998)
Revaluation and impairments taken to operating costs	2b	0	998	0	0	998
Transfers between reserves		6,174	(6,174)	0	0	0
Other non cash costs	2b	0	0	0	0	0
Net operating cost for the year	CFS	(840,457)	0	(10,216)	(93)	(850,766)
Total recognised income and expense for 2023-24		(834,283)	16,455	(10,216)	103	(827,941)
Funding:						
Drawn down	CFS	894,926				894,926
Movement in General Fund (Creditor) / Debtor	CFS	(13)				(13)
Restated Balance at 31 March 2024*	SoFP	**(31,717)**	**206,917**	**15,562**	**3,289**	**194,051**

*The 2023/24 balance has been restated to remove the impact of utility costs from the remeasurement of the PFI liability under IFRS16. This resulted in a £64,194k increase in the General Fund in 2023/24 linked to the cumulative catch up approach with effect from 1st April 2023. The 2022/23 balance has also been restated to show the net impact of the IFRS16 PFI remeasurement at that date.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1. ACCOUNTING POLICIES

1.1 Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) and the Companies Act 2006, to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 29 below.

a) **Standards, amendments and interpretations effective in current year.**

There are no new standards, amendments or interpretations effective in the year 2024/2025.

b) **Standards, amendments and interpretation early adopted this year.**

There are no new standards, amendments or interpretations early adopted in the 2024/25 financial year.

c) **Standards, amendments and interpretation issued but not adopted this year.**

The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2024/25 financial year.

Standard	Current Status
IFRS 14 Regulatory Deferral Accounts	Effective for accounting periods starting on or after 1st January 2016. Not appliable to NHS Scotland bodies.
IFRS 17 Insurance Contracts	Effective for accounting periods beginning on or after 1st January 2023. However this Standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025.
IFRS 18 Presentation and disclosure in financial statements	Effective for periods starting on or after 1st January 2027, this standard has not yet been endorsed by the UK Endorsement Board or adopted by HM Treasury.
IFRS 19 Subsidiaries without public accountability: disclosures	Effective for periods starting on or after 1st January 2027, this standard has not yet been endorsed by UK Endorsement Board or adopted by HM Treasury.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.2 Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHS Forth Valley Endowment Fund.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The NHS Forth Valley Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

The integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts.

In line with statutory guidance issued by the Integrated Resources Advisory Group (IRAG) IJBs are deemed to be joint ventures. In accordance with IFRS 11 Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the Board's interest in IJBs using the equity method of accounting.

Note 23 provides further details on the consolidation of the Endowment Funds and IJBs within the Financial Statements.

1.3 Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future, unless informed by Scottish Ministers of the intention for dissolution without transfer of services or functions to another entity.

1.4 Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

1.5 Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the board that is not classed as funding is recognised in the year in which it is receivable.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific Family Health Services (comprised of General Pharmaceutical Services, General Medical Services, General Dental Services and General Ophthalmic Services as designated by the Scottish Government). Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

1.6.1 Recognition

Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1) Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

2) In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.

3) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.6.2 Measurement

Valuation:
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Thereafter, valuations of all land and building assets are reassessed on an annual basis by valuers. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual (Red Book) insofar as these terms are consistent with the agreed requirements of the Scottish Government.

In general, operational assets which are in use delivering front line services or back-office functions are valued at current market value in existing use. However, to meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual are adopted:

- Specialised operational assets are valued on a replacement cost basis for a modern equivalent asset.

- Non-specialised equipment, installations and fittings are valued at fair value, using the most appropriate valuation methodology available. A depreciated historical cost basis is considered an appropriate proxy for fair value in respect of assets which have short useful lives or low values (or both).

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

- Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

- Non specialised land and buildings, such as offices, are stated at fair value.

Surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Assets under construction are valued at current cost. No depreciation should be charged or indexation applied to assets under construction These are subject to impairment review.

Subsequent expenditure:
Subsequent expenditure is capitalised into an asset’s carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Revaluations and Impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together. Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

Permanent decreases in asset values and impairments arising from a reduction in service potential or consumption of economic benefit are charged to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

1.6.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

1) Freehold land is considered to have an infinite life and is not depreciated.

2) Assets in the course of construction and residual interests in off Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.

3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

4) Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.

5) Equipment is depreciated over the estimated life of the asset.

6) Leased Property, plant and equipment held under leases are depreciated over the shorter of the lease term and the estimated useful life. Unless there is reasonable certainty the Board will obtain ownership of the asset by the end of the lease term in which case it is depreciated over its useful life.

Depreciation is charged on a straight line basis and the following asset lives have been used:

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Asset Category	Useful Life
Buildings Structure	4 to 70 Years
Buildings Engineering	3 to 35 Years
Buildings External Works	3 to 60 Years
Buildings Revenue Maintained	4 to 90 Years
Plant & Machinery	5 to 15 Years
Information Technology	5 to 8 Years
Furniture & Fittings	7 to 10 Years

1.7 Intangible Assets

1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.
The main classes of intangible assets recognised are:

Software:
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Software licences:
Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred.

1.7.2 Measurement

Valuation:
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Revaluation and impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'.

Operational assets which are in use delivering front line services or back-office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

1.7.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

1) Software. Amortised over their expected useful life.

2) Software licences. Amortised over the shorter term of the licence and their useful economic lives.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Useful Life
Software Licences	5 to 8 Years
Information Technology Software	5 to 8 Years

1.8 Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

1. the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

2. the sale must be highly probable i.e.:

   - management are committed to a plan to sell the asset;
   - an active programme has begun to find a buyer and complete the sale;
   - the asset is being actively marketed at a reasonable price;
   - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
   - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation/amortisation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.9 Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

1.10 Sale of Property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

1.11 Leases

Scope and classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented rights both to obtain substantially all the economic benefits from that asset and to direct its use.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and

- Contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

Initial recognition:
At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

Subsequent measurement:
The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

Lease expenditure:
Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

Estimates and judgements:
The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.12 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

1.13 General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the Scottish Government Health and Social Care Directorate (SGHSCD). Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

1.15 Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

1.16 Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Pension Costs

The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

1.17 Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS Forth Valley provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS Forth Valley also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHS Scotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in provision and is classified as non-core expenditure.

1.18 Related Party Transactions

Material related party transactions are disclosed in the Note 21 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.19 Value Added Tax

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.20 PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance Initiative or alternative initiatives such as HUB or the Non-Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, *Service Concession Arrangements,* outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-balance sheet. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the balance sheet over the life of the contract by capitalising part of the unitary charge each year.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-balance sheet' by the Board. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IFRS 16. Where it is not possible to separate the finance element from the service element of unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The total unitary payment is then divided into three: the service charge element, repayment of the capital element of the contract obligation and the interest expense on it (using the interest rate implicit in the contract).

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

An IFRS 16 approach requires the liability to be remeasured if there is a change in future lease payments resulting from a change in an index/rate used to determine those payments. The liability does not include estimated future indexation linked increases.

1.21 Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.22 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in Note 14 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 14, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.23 Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

1.24 Financial Instruments

Financial assets

Business model

The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification

When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

i. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and

ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Financial assets carried at fair value through other comprehensive income are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through other comprehensive income are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in other comprehensive income.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
ii. they contain embedded derivatives; and/or
iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement
Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss
Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs
Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.25 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

1.26 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using Natwest and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts are not be classed as commercial bank balances.

1.27 Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.28 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in Note 22 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual. In addition, where third party monies have been held in a public bank account, commentary is provided in Note 11.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

1.29 Key sources of judgement and estimation uncertainty

The Board makes subjective and complex judgements in applying its accounting policies and relies on a range of estimation techniques and assumptions concerning uncertain future events. It is recognised that sources of estimation uncertainty are likely to vary from year to year and the resulting accounting estimates will, by definition, seldom equal the related actual results. As such, key judgements and estimates are continually reviewed, based on historical experience and other factors, including changes to past assumptions and expectations of future events that are believed to be reasonable under the circumstances.

The key judgements exercised in the application of the Board's accounting policies which have the most significant effect on the carrying amounts in the financial statements are summarised below:

PFI/ Hospitals and Hub – when considering the application of IFRIC 12 for the Forth Valley Royal Hospital and Clackmannanshire Health Resource PFI facilities, and also the Stirling Care Village Hub arrangement, judgements were made regards the Interpretation of IFRIC 12 that gives guidance on the accounting by operators for public-to-private service concession arrangements. It is the Board's view that they control and regulate what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and hence the application of IFRIC 12 is appropriate.

Clinical and Medical Negligence - The Scottish Government provides Risk Levels via Central Legal Office returns on a quarterly basis for all clinical and medical negligence claims lodged against NHS Forth Valley. All Risk Level 3 and 50% of Risk Level 2 claims are Provided for within Note 13 of the accounts, and all Level 1 and the remaining 50% of Level 2 claims are presented as Contingent Liabilities within Note 14 of the accounts. The main element of uncertainty around this relates to the probability, timing and value of settling these claims which is dependent on the nature of each individual claim. Estimates are based on advice from the Central Legal Office (CLO) who deal with these claims on national basis.

Estimates

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Clinical and Medical Negligence Provision: The clinical and medical negligence provision is calculated using information received from the Central Legal Office regarding claims they have received relating to NHS Forth Valley. As per Note 13 of the accounts the carrying value of the Clinical and Medical Negligence Provision as at 31st March 2025 is £26.818m

Revaluation of Land and Buildings: the Board commissioned a full revaluation of the NHS Forth Valley estate as at 31st March 2025, with draft valuations being carried out by the Valuation Office Agency (VOA) during December 2024, and final valuations being issued in April 2025. Assessments are made about the status of property which affects the valuation methodology based on Royal Institute of Chartered Surveyors (RICS) guidance, International Financial Reporting Standards (IFRS) as interpreted, and also guidance contained within the HM Treasury Financial Reporting Manual (FREM). The

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

carrying value of Land and Buildings at 31st March 2025 as per Note 7(a) and 17(a) to the accounts was £564.52m.

1.30 Events after the reporting period

Events after the reporting period are event that occur after the reporting year end date up to the date of the Annual Report and Accounts being authorised for issue. Events can be adjusting or non-adjusting, as per IAS 10. Adjusting events are those that provide evidence of conditions that existed at the reporting date and non-adjusting events are events that are indicative of conditions that arose after the reporting date.

Events after the reporting period are disclosed in Note 15.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Notes to the Accounts

For the Year Ended 31 March 2025

2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	2025 £000	2025 £000
Net expenditure	SoCNE		957,578
Total non core expenditure (see below)			(23,279)
Family Health Services non-discretionary allocation			(48,572)
Endowment net expenditure			(48)
Associates and joint ventures accounted for on an equity basis			(3,901)
Total Core Expenditure			**881,778**
Core Revenue Resource Limit			882,014
Saving/(excess) against Core Revenue Resource Limit			**236**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

| | | |

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

Restated* 2024 £000		Note	2025 £000
	Expenditure Not Paid In Cash		
19,427	Depreciation	7a	19,822
156	Amortisation	6	99
14	Depreciation of donated assets	7a	9
1,024	Depreciation of Right of Use (RoU) Assets	17b	1,210
3	Right of Use (RoU) Remeasurement (gain)/loss	17b	(164)
(17,434)	PFI and Lease non cash adjustments		3,458
1,698	Impairments on PPE charged to SoCNE		812
0	Net revaluation on PPE charged to SoCNE		10
(700)	Reversal of impairments on PPE charged to SoCNE		(618)
196	Impairment of investments charged to SoCNE	10	36
(4)	GP Loans fair value adjustment	10	0
10,216	Associates and joint ventures accounted for on an equity basis	SoCNE	3,901
(876)	Right of Use (RoU) Additions		(1,104)
0	Right of Use Asset Revaluation		321
13,720	**Total Expenditure Not Paid In Cash**	CFS	**27,792**

Interest payable recognised in operating expenditure

2024 £000		Note	2025 £000
	Interest Payable		
18,166	PFI Finance lease charges allocated in the year	18	14,656
160	Lease Interest	17b	174
151	Provisions - Unwinding of discount	13	137
18,477	**Net Interest payable**		**14,967**

Consolidated movements in working capital

2024 Net Movement £000		Note	Opening Balances £000	Closing Balances £000	2025 Net Movement £000
	INVENTORIES				
(185)	Balance Sheet	8	2,824	3,272	(448)
(185)	**Net Decrease/(Increase)**		**2,824**	**3,272**	**(448)**
	TRADE AND OTHER RECEIVABLES				
(9,274)	Due within one year	9	33,852	43,654	(9,802)
6,947	Due after more than one year	9	27,956	7,171	20,785
(2,327)	**Net Decrease/(Increase)**		**61,808**	**50,825**	**10,983**
	TRADE AND OTHER PAYABLES				
(25,707)	Due within one year	12	107,992	126,909	18,917
22,797	Due after more than one year	12	315,371	304,764	(10,607)
4,317	Less: Property, Plant & Equipment (Capital) included in above		(4,881)	(7,226)	(2,345)
(13)	Less: General Fund Creditor included in above	12	(49)	(35)	14
(23,380)	Less: Lease and PFI Creditors included in above	12	(327,933)	(318,378)	9,555
(21,986)	**Net (Decrease)/Increase**		**90,500**	**106,034**	**15,534**
	PROVISIONS				
(5,858)	Statement of Financial Position	13a	79,312	75,978	(3,334)
(5,858)	**Net (Decrease)/Increase**		**79,312**	**75,978**	**(3,334)**
(30,356)	**NET MOVEMENT (Decrease)/Increase**	CFS	**(105,180)**	**(127,915)**	**22,735**

* 2024 figures have been restated to show PFI and lease non cash adjustments separately from capital repayments. The impact of this is a reduction of £16,139k in total expenditure not paid in cash.

The impact of utility costs has also been removed from the measurement of PFI liability under IFRS16. The impact of this is a £1,295k reduction in total expenditure not paid in cash and an increase of £1,295k in the net movement of trade and other payables.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

3.OPERATING EXPENSES

3a. Employee Expenditure

Consolidated 2024 £000		Consolidated 2025 £000
93,304	Medical and Dental	107,712
197,925	Nursing	203,943
131,342	Other Staff	143,302
422,571	**Total**	**454,957**

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other Operating expenditure

Restated* Consolidated 2024 £000		Consolidated 2025 £000
	Independant Primary Care Services:	
56,185	General Medical Services	61,044
17,281	Pharmaceutical Services	18,852
25,173	General Dental Services	27,940
6,892	General Ophthalmic Services	7,137
105,531	**Total**	**114,973**
	Drugs and medical supplies:	
64,319	Prescribed drugs Primary Care	73,763
51,447	Prescribed drugs Secondary Care	57,281
408	PPE and Testing Kits	0
25,329	Medical Supplies	28,842
141,503	**Total**	**159,886**
	Other health care expenditure	
393,794	Contribution to Integration Joint Boards	426,316
58,832	Goods and services from other NHSScotland bodies	66,402
377	Goods and services from other UK NHS bodies	671
3,097	Goods and services from private providers	2,513
6,637	Goods and services from voluntary organisations	6,322
21,625	Resource Transfer	21,544
40,118	Other operating expenses	56,904
6,214	Rates	6,746
45,729	PFI & Finance Lease Costs	71,617
19,592	Depreciation	19,930
30,609	Local Authority Costs	31,469
5,756	Compensation Payments - Clinical	944
187	External Auditor's remuneration - statutory audit fee	217
509	Endowment Fund expenditure	456
633,076	**Total**	**712,051**
880,110	**Total Other Operating Expenditure**	**986,910**

There are no other Services provided by the External Auditors.

The 2024-25 contribution to Integration Joint Boards (IJB's) includes a net increase in reserve balances of £6,693k held by NHS Forth Valley on behalf of the IJB's.

* The 2024 figures have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16, the impact of this is a £1,295k reduction in PFI & Finance Lease Costs.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Notes to the Accounts

For the Year Ended 31 March 2025

4. OPERATING INCOME

Restated* Consolidated 2024 £000			Consolidated 2025 £000
893	Income from Scottish Government		536
38,076	Income from other NHS Scotland bodies		42,172
680	Income from NHS non-Scottish bodies		618
393,794	Income for services commissioned by Integration Joint Board		426,316
4,432	Patient charges for primary care		5,772
4,617	Contributions in respect of clinical and medical negligence claims		(758)
80	Interest received	CFS	38
	Non NHS:		
64	Overseas patients (non-reciprocal)		171
636	Non-patient care income generation schemes		673
416	Endowment Fund Income		408
18,443	Other		12,244
462,131	**Total Income**	SoCNE	**488,190**

* The 2024 figures have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16, the impact of this is a £1,295k increase in other income.

A restatement has also been made to include a net reduction of £6,477k relating to reserves balance held on behalf of IJB's within Income for services commissioned by Integration Joint Board.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

5. BOARD SEGMENTAL INFORMATION

Segmental information is reported below in a manner consistent with the internal reporting to the Board. Details of each segment is as follows:

- Clinical Services – includes all medical and healthcare treatments provided within hospitals or the community (excluding community services provided through the HSCP's)
- Corporate Functions & Facilities – non-clinical functions including Finance, HR, Chief Executive Office, Medical Director, Nurse Director, Public Health, Planning and Performance along with Support Services and Digital Services
- Externals/Cross Boundary Flow – resources associated with the movement of patients between different NHS Boards for the purpose of emergency and specialist treatments or due to geographical location
- Clacks/Stirling HSCP (Operational & Universal) - the health resources relating to Clacks and Stirling HSCP, through the Integration Joint Board (IJB) who are responsible for overseeing the integration of Health and Social Care Service. The resources reported relate to the delegated services i.e. those functions transferred from NHS Forth Valley to the IJB for planning and delivery and are reported separately.

Falkirk HSCP (Operational & Universal) - the health resources relating to Falkirk HSCP, through the Integration Joint Board (IJB) who are responsible for overseeing the integration of Health and Social Care Service. The resources reported relate to the delegated services i.e. those functions transferred from NHS Forth Valley to the IJB for planning and delivery and are reported separately.

	Clinical Services £000	Corporate Functions & Facilities £000	Externals/ Cross Boundary Flow £000	Clacks/ Stirling HSCP (Operational & Universal) £000	Falkirk HSCP (Operational & Universal) £000	2025 £000
Net operating cost	372,596	176,484	53,905	171,657	178,987	**953,629**
Revenue from external sources	22,197	10,215	16,850	4,893	7,767	**61,922**
Impairment losses recognised in SoCNE	0	204	0	0	0	**204**
Depreciation and amortisation	0	21,140	0	0	0	**21,140**

5. BOARD SEGMENTAL INFORMATION - PRIOR YEAR

Segmental information as required under IFRS has been reported for each strategic objective.

	Clinical Services £000	Corporate Functions & Facilities £000	Externals/ Cross Boundary Flow £000	Clacks/ Stirling HSCP (Operational & Universal) £000	Falkirk HSCP (Operational & Universal) £000	2024 £000
Net operating cost	348,606	119,898	48,542	155,940	167,471	**840,457**
Revenue from external sources	21,236	21,998	15,601	514	731	**60,080**
Impairment losses recognised in SoCNE	0	1,001	0	0	0	**1,001**
Depreciation and amortisation	0	20,621	0	0	0	**20,621**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Notes to the Accounts

For the Year Ended 31 March 2025

6. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED

		Software Licences 2025 £000	IT - software 2025 £000	Total 2025 £000
Cost or Valuation:				
As at 1st April 2024		1,046	5,290	6,336
At 31st March 2025		**1,046**	**5,290**	**6,336**
Amortisation				
As at 1st April 2024		1,046	4,910	5,956
Provided during the year		0	99	99
At 31st March 2025		**1,046**	**5,009**	**6,055**
Net Book Value at 1st April 2024		**0**	**380**	**380**
Net Book Value at 31 March 2025	**SoFP**	**0**	**281**	**281**

6. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED PRIOR YEAR

		Software Licences 2024 £000	IT - software 2024 £000	Total 2024 £000
Cost or Valuation:				
As at 1st April 2023		1,046	5,290	6,336
At 31st March 2024		**1,046**	**5,290**	**6,336**
Amortisation				
As at 1st April 2023		1,046	4,754	5,800
Provided during the year		0	156	156
At 31st March 2024		**1,046**	**4,910**	**5,956**
Net Book Value at 1st April 2023		**0**	**536**	**536**
Net Book Value at 31 March 2024	**SoFP**	**0**	**380**	**380**

NHS Forth Valley Endowment Funds do not have any Intangible Assets

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

		Land (incl. under buildings) 2025 £000	Buildings (excluding dwellings) 2025 £000	Dwellings 2025 £000	Transport Equipment 2025 £000	Plant & Machinery 2025 £000	Information Technology 2025 £000	Furniture & Fittings 2025 £000	Assets Under Construction 2025 £000	Total 2025 £000
Cost or valuation										
At 1 April 2024		18,982	544,372	400	38	77,067	34,416	1,712	10,100	687,087
Additions - purchased		0	1,575	0	0	6,681	2,698	0	745	11,699
Revaluations		198	(727)	(5)	0	0	0	0	0	(534)
Impairment charges		41	0	0	0	0	0	0	0	41
Disposals - purchased		(43)	(129)	0	0	0	0	0	0	(172)
At 31 March 2025		**19,178**	**545,091**	**395**	**38**	**83,748**	**37,114**	**1,712**	**10,845**	**698,121**
Depreciation										
At 1 April 2024		0	5,083	0	38	52,311	23,233	1,712	0	82,377
Provided during the year - purchased		0	13,391	28	0	4,121	2,282	0	0	19,822
Provided during the year - donated		0	3	0	0	6	0	0	0	9
Revaluations		0	(13,478)	(32)	0	0	0	0	0	(13,510)
Impairment charges		0	863	0	0	0	0	0	0	863
Impairment reversals		0	(618)	0	0	0	0	0	0	(618)
At 31 March 2025		**0**	**5,244**	**(4)**	**38**	**56,438**	**25,515**	**1,712**	**0**	**88,943**
Net book value at 1 April 2024		**18,982**	**539,289**	**400**	**0**	**24,756**	**11,183**	**0**	**10,100**	**604,710**
Net book value at 31 March 2025	SoFP	**19,178**	**539,847**	**399**	**0**	**27,310**	**11,599**	**0**	**10,845**	**609,178**
Open Market Value of Land in Land and Dwellings Included Above		**675**		**0**						
Asset financing:										
Owned - purchased		19,069	66,872	399	0	27,281	11,599	0	10,845	136,065
Owned - donated		0	188	0	0	29	0	0	0	217
On-balance sheet PFI contracts		109	472,787	0	0	0	0	0	0	472,896
Net book value at 31 March 2025		**19,178**	**539,847**	**399**	**0**	**27,310**	**11,599**	**0**	**10,845**	**609,178**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED PRIOR YEAR

		Land (incl under buildings) 2024 £000	Buildings (excluding dwellings) 2024 £000	Dwellings 2024 £000	Transport Equipment 2024 £000	Plant & Machinery 2024 £000	Information Technology 2024 £000	Furniture & Fittings 2024 £000	Assets Under Construction 2024 £000	Total 2024 £000
Cost or valuation										
At 1 April 2023		22,160	528,591	470	38	73,040	33,017	1,712	11,401	670,429
Additions - purchased		0	2,912	0	0	2,295	1,399	0	2,480	9,086
Completions		0	2,049	0	0	1,732	0	0	(3,781)	0
Revaluations		(2,183)	10,820	32	0	0	0	0	0	8,669
Impairment charges		2	(0)	(0)	(0)	(0)	(0)	(0)	(0)	2
Disposals - purchased		(997)	0	(102)	0	0	0	0	0	(1,099)
At 31 March 2024		**18,982**	**544,372**	**400**	**38**	**77,067**	**34,416**	**1,712**	**10,100**	**687,087**
Depreciation										
At 1 April 2023		0	4,924	0	38	48,356	20,744	1,712	0	75,774
Provided during the year - purchased		0	12,961	28	0	3,949	2,489	0	0	19,427
Provided during the year - donated		0	8	0	0	6	0	0	0	14
Revaluations		0	(13,810)	(28)	0	0	0	0	0	(13,838)
Impairment charges		0	1,700	0	0	0	0	0	0	1,700
Impairment reversals		0	(700)	0	0	0	0	0	0	(700)
At 31 March 2024		**0**	**5,083**	**0**	**38**	**52,311**	**23,233**	**1,712**	**0**	**82,377**
Net book value at 1 April 2023		**22,160**	**523,667**	**470**	**0**	**24,684**	**12,273**	**0**	**11,401**	**594,655**
Net book value at 31 March 2024	SoFP	**18,982**	**539,289**	**400**	**0**	**24,756**	**11,183**	**0**	**10,100**	**604,710**
Open Market Value of Land in Land and		**675**		**0**						
Asset financing:										
Owned - purchased		18,982	67,480	400	0	24,721	11,183	0	10,100	132,866
Owned - donated		0	197	0	0	35	0	0	0	232
On-balance sheet PFI contracts		0	471,612	0	0	0	0	0	0	471,612
Net book value at 31 March 2024		**18,982**	**539,289**	**400**	**0**	**24,756**	**11,183**	**0**	**10,100**	**604,710**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

7. (b) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2024 £000	Board 2024 £000			Consolidated 2025 £000	Board 2025 £000
		Net book value of property, plant and equipment at 31 March			
604,478	604,478	Purchased	7a	608,961	608,961
232	232	Donated	7a	217	217
604,710	**604,710**	**Total**	SoFP	**609,178**	**609,178**
675	675	Net book value related to land valued at open market value at 31 March		675	675
0	0	Net book value related to buildings valued at open market value at 31 March		0	0
		Total value of assets held under:			
0	0	Hire Purchase Contracts		0	0
471,612	471,612	PFI and PPP Contracts		472,896	472,896
471,612	471,612			472,896	472,896
		Total depreciation charged in respect of assets held under:			
0	0	Hire Purchase Contracts		0	0
9,952	9,952	PFI and PPP contracts		10,265	10,265
9,952	9,952			10,265	10,265

All land and buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2025 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £12.772m, (2023-24: £21.509m) of which £12.976m (2023-24: £22.507m) which was credited to the revaluation reserve. Impairment of £0.204m (2023-24 £0.998m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn.

One property has been identified as containing Reinforced Autoclaved Aerated Concrete (RAAC). The RAAC identified is in good condition and currently poses no risk to patients or staff. A management plan is in place, which includes regular planned inspections and checks to ensure the situation is closely monitored on an ongoing basis.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

7c. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated 2024 £000		Note	Consolidated 2025 £000
	EXPENDITURE		
9,086	Acquisition of property, plant and equipment	7a	11,699
613	GP Loans advances	10	143
876	Right of Use (RoU) Additions	17a	926
10,575	**Gross Capital Expenditure**		**12,768**
	INCOME		
1,099	Net book value of disposal of property, plant and equipment	7a	172
1,099	**Capital Income**		**172**
9,476	**Net Capital Expenditure**		**12,596**

SUMMARY OF CAPITAL RESOURCE OUTTURN

8,863	Core capital expenditure included above	12,614
8,863	Core Capital Resource Limit	12,614
0	**Saving/(excess) against Core Capital Resource Limit**	**0**
613	Non Core capital expenditure included above	143
613	Non Core Capital Resource Limit	143
0	**Saving/(excess) against Non Core Capital Resource Limit**	**0**
9,476	Total Capital Expenditure	12,757
9,476	Total Capital Resource Limit	12,757
0	**Saving/(excess) against Total Capital Resource Limit**	**0**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

8. INVENTORIES

Consolidated 2024 £000			Consolidated 2025 £000
2,824	Raw Materials and Consumables		3,272
2,824	**Total Inventories**	**SoFP**	**3,272**

NHS Forth Valley Endowment Funds do not hold any Stock.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

9. TRADE AND OTHER RECEIVABLES

Consolidated 2024 £000	Board 2024 £000		Note	Consolidated 2025 £000	Board 2025 £000
		Receivables due within one year			
		NHSScotland			
54	54	SGHSCD		245	245
4,114	4,114	Other NHS Scotland Health Boards		5,518	5,518
4,168	**4,168**	**Total NHSScotland Receivables**		**5,763**	**5,763**
46	46	NHS Non-Scottish Bodies		109	109
3,509	3,509	VAT recoverable		3,034	3,034
1,325	1,325	Prepayments		1,358	1,358
232	232	Accrued income		129	129
5,669	5,639	Other Receivables		5,093	5,173
15,040	15,040	Reimbursement of provisions		23,353	23,353
3,863	3,863	Other Public Sector Bodies		4,815	4,815
33,852	**33,822**	**Total Receivables due within one year**	SoFP	**43,654**	**43,734**
		Receivables due after more than one year			
1,024	1,024	Accrued income		1,090	1,090
26,932	26,932	Reimbursement of Provisions		6,081	6,081
27,956	**27,956**	**Total Receivables due after more than one year**	SoFP	**7,171**	**7,171**
61,808	**61,778**	**TOTAL RECEIVABLES**		**50,825**	**50,905**
120	120	The total receivables figure above includes a provision for impairments of:		141	141
		WGA Classification			
4,114	4,114	NHSScotland		5,518	5,518
3,563	3,563	Central Government Bodies		3,279	3,279
3,983	3,983	Whole of Government Bodies		4,815	4,815
46	46	Balances with NHS Bodies in England and Wales		109	109
50,102	50,072	Balances with bodies external to Government		37,104	37,184
61,808	**61,778**	**Total**		**50,825**	**50,905**

2024 £000	2024 £000	Movements on the provision for impairment of receivables are as follows:	2025 £000	2025 £000
30	30	At 1 April	120	120
110	110	Provision for impairment	27	27
(20)		Receivables written off during the year as uncollectible	(6)	
(20)			(6)	
		At 31 March		
120	**120**		**141**	**141**

As of 31 March 2025, the provision for impairment of receivables was £141K (2023-24: £120K). The aging of this is as follows:

2024 £000	2024 £000		2025 £000	2025 £000
		3 to 6 months past due		
17	17	Over 6 months past due	1	1
103	103		140	140
120	**120**		**141**	**141**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

9. TRADE AND OTHER RECEIVABLES, Contd.

The receivables assessed as individually impaired were mainly overseas patients and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2025, receivables with a carrying value of £1,265K (2023-24: £1,598K) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

Consolidated 2024 £000	Board 2024 £000		Consolidated 2025 £000	Board 2025 £000
1,463	1,463	Up to 3 months past due	687	687
16	16	3 to 6 months past due	453	453
119	119	Over 6 months past due	125	125
1,598	**1,598**		**1,265**	**1,265**

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated/government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

		Receivables that are neither past due nor impaired are shown by their credit risk below:		
2024 £000	2024 £000		2025 £000	2025 £000
21,140	21,140	Existing customers with no defaults in the past	22,885	22,885
21,140	**21,140**	Total neither past due or impaired	**22,885**	**22,885**

The maximum exposure to credit risk is the fair value of each class of receivable.

The NHS Board does not hold any collateral as security.

		The carrying amount of receivables are denominated in the following		
2024 £000	2024 £000	currencies:	2025 £000	2025 £000
61,808	61,778	Pounds	50,825	50,905
61,808	**61,778**		**50,825**	**50,905**

The carrying amount of short term receivables approximates their fair value.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

10. INVESTMENTS

Consolidated 2024 £000	Board 2024 £000			Consolidated 2025 £000	Board 2025 £000
4,114	981	Other		4,017	1,088
4,114	**981**	**TOTAL**	**SoFP**	**4,017**	**1,088**
3,590	560	At 1 April		4,114	981
545	0	Additions	**CFS**	733	0
613	613	GP Loans advances		143	143
(600)	0	Disposals		(876)	0
(196)	(196)	Impairment recognised in SOCNE		(36)	(36)
4	4	GP Loans Fair Value Adjustment		0	0
158	0	Revaluation surplus/(deficit) transfered to equity		(61)	0
4,114	**981**	At 31 March		**4,017**	**1,088**
4,114	981	Non-current	**SoFP**	4,017	1,088
4,114	**981**	At 31 March		**4,017**	**1,088**
0	**0**	The carrying value includes an impairment provision of		**0**	**0**

Other Investments comprises the Investment in East Central Hub Scotland Ltd denominated in UK pounds. The carrying value of the investment is cost as there is no active market for the equity investment in East Central Hub Scotland Ltd.The other Investment is a £355k non equity long term loan repayable in full with interest as part of the financing arrangements for the Stirling Care Village. Forth Valley have five loans to Medical Practice's on which no interest is chargeable. Section 10 of the National Code of practice for GP Premises entitles all GP Contractors who own their premises to receive an interest free loan from their Health Board in order to increase the stability of the practice and increase the incentive of being a partner in a practice which owns its premises. The loan is repayable on sale of the premises or cancellation of the General Medical Services Contract.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

11. CONSOLIDATED CASH AND CASH EQUIVALENTS

2024 £000			2025 £000
362	Balance at 1 April		325
(37)	Net change in cash and cash equivalent balances	CFS	(25)
325	**Balance at 31 March**	SoFP	**300**
	The following balances at 31 March were held at:		
11	Government Banking Service		10
37	Commercial banks and cash in hand		25
277	Endowment cash		265
325	**Balance at 31 March**		**300**

NHS Forth Valley closing Cash and Cash Equivalent Balance was £35k (2023/2024 £48k).

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

12. TRADE AND OTHER PAYABLES

Restated* Consolidated 2024 £000	Restated* Board 2024 £000		Note	Consolidated 2025 £000	Board 2025 £000
		Payables due within one year			
		NHSScotland			
1,455	1,455	Scottish Government Health & Social Care Directorate		0	0
9,901	9,901	Other NHS Scotland Health Boards		13,777	13,777
11,356	**11,356**	**Total NHSScotland Payables**		**13,777**	**13,777**
595	595	NHS Non-Scottish bodies		320	320
49	49	Amounts payable to General Fund		35	35
17,414	17,414	FHS practitioners		17,781	17,781
2,117	2,117	Trade payables		3,546	3,546
22,862	22,862	Accruals		27,981	27,981
591	591	Payments received on account		1,015	1,015
905	905	Net obligations under finance leases	17b	964	964
11,950	11,950	Net obligations under PPP / PFI Contracts	18	12,650	12,650
7,949	7,949	Income tax and social security		8,546	8,546
6,911	6,911	Superannuation		7,937	7,937
1,673	1,673	Holiday pay accrual		1,790	1,790
22,797	22,797	Other public sector bodies		29,944	29,944
823	672	Other payables		623	660
107,992	**107,841**	**Total Payables due within one year**	SoFP	**126,909**	**126,946**
		Payables due after more than one year			
0	0	Other public sector bodies		0	0
770	770	Net obligations under leases due within 2 years	17b	822	822
1,630	1,630	Net obligations under leases due after 2 years but within 5 years	17b	1,342	1,342
2,145	2,145	Net obligations under leases due after 5 years	17b	2,092	2,092
12,485	12,485	Net obligations under PPP / PFI contracts due within 2 years	18	13,219	13,219
40,907	40,907	Net obligations under PPP / PFI contracts due after 2 years but	18	43,340	43,340
257,141	257,141	Net obligations under PPP / PFI contracts due after 5 years	18	243,949	243,949
293	293	Other payables		0	0
315,371	**315,371**	**Total Payables due after more than one year**	SoFP	**304,764**	**304,764**
423,363	**423,212**	**TOTAL PAYABLES**		**431,673**	**431,710**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

12. TRADE AND OTHER PAYABLES Contd

Restated* Consolidated 2024 £000	Restated* Board 2024 £000		Note	Consolidated 2025 £000	Board 2025 £000
		WGA Classification			
9,901	9,901	NHSScotland		13,777	13,777
14,860	14,860	Central Government Bodies		16,483	16,483
22,797	22,797	Whole of Government Bodies		30,574	30,574
595	595	Balances with NHS Bodies in England and Wales		320	320
375,210	375,059	Balances with bodies external to Government		370,519	370,556
423,363	**423,212**	**Total**		**431,673**	**431,710**
£000	**£000**	Borrowings included above comprise:		**£000**	**£000**
5,450	5,450	Leases		5,220	5,220
322,483	322,483	PFI Contracts		313,158	313,158
327,933	**327,933**			**318,378**	**318,378**

The carrying amount and fair value of the non-current borrowings are as follows:

2024 £000	2024 £000	**Carrying amount**	2025 £000	2025 £000
4,545	4,545	Leases	4,256	4,256
310,533	310,533	PFI Contracts	300,508	300,508
315,078	**315,078**		**304,764**	**304,764**

2024 £000	2024 £000	**Fair value**	2025 £000	2025 £000
4,545	4,545	Leases	4,256	4,256
310,533	310,533	PFI Contracts	300,508	300,508
315,078	**315,078**		**304,764**	**304,764**

The carrying amount of short term payables approximates their fair value.

The carrying amount of payables are denominated in the following currencies:

2024 £000	2024 £000		2025 £000	2025 £000
423,363	423,212	Pounds	431,673	431,710
423,363	**423,212**		**431,673**	**431,710**

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. The impact of this is a net reduction of £64,191 in liabilities.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations £000	Clinical & Medical Legal Claims against NHS Board £000	Participation in CNORIS £000	Other (non-endowment) £000	Total £000
At 1 April 2024	4,636	31,627	42,307	742	79,312
Arising during the year	605	3,805	4,571	419	9,400
Utilised during the year	(544)	(4,409)	(3,116)	(106)	(8,175)
Unwinding of discount	137	0	0	0	137
Reversed unutilised	(387)	(4,205)	0	(104)	(4,696)
At 31 March 2025	**4,447**	**26,818**	**43,762**	**951**	**75,978**

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows:

		Pensions and similar obligations £000	Clinical & Medical Legal Claims against NHS Board £000	Participation in CNORIS £000	Other (non-endowment) £000	Total £000
Payable in one year	SoFP	433	20,768	10,941	912	33,054
Payable between 2 - 5 years	SoFP	1,516	3,079	26,607	39	31,241
Payable between 6 - 10 years	SoFP	1,269	1,816	2,276	0	5,361
Thereafter	SoFP	1,229	1,155	3,938	0	6,322
At 31 March 2025		**4,447**	**26,818**	**43,762**	**951**	**75,978**

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations £000	Clinical & Medical Legal Claims against NHS Board £000	Participation in CNORIS £000	Other (non-endowment) £000	Total £000
At 1 April 2023	4,812	37,965	41,416	977	85,170
Arising during the year	287	8,241	2,873	274	11,675
Utilised during the year	(537)	(11,276)	(1,982)	(124)	(13,919)
Unwinding of discount	151	0	0	0	151
Reversed unutilised	(77)	(3,303)	0	(385)	(3,765)
At 31 March 2024	**4,636**	**31,627**	**42,307**	**742**	**79,312**

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows:

		Pensions and similar obligations £000	Clinical & Medical Legal Claims against NHS Board £000	Participation in CNORIS £000	Other (non-endowment) £000	Total £000
Payable in one year	SoFP	465	5,339	10,577	292	16,673
Payable between 2 - 5 years	SoFP	1,859	23,081	25,722	450	51,112
Payable between 6 - 10 years	SoFP	1,595	1,840	2,200	0	5,635
Thereafter	SoFP	717	1,367	3,808	0	5,892
At 31 March 2024		**4,636**	**31,627**	**42,307**	**742**	**79,312**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.40% in real terms for the Injury Benefit provision and the Treasury discount rate of 5.15% Gross Rate for the Pension provision. The Board expects expenditure to be charged to this provision for a period of up to 30 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the NHS Central Legal Office who decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts. Professional judgement is excercised around the expected timings of cashflows relating to these obligations.

Participation in CNORIS

Clinical Negligenge and Other Risks Indemnity Scheme. This represents the Board's share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office.

Other

The main element of the Other provisions relates to non medical claims notified to the Board by the NHS Central Legal Office.

13b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2024 £000		Note	2025 £000
32,369	Provision recognising individual claims	13a	27,769
(41,972)	Associated CNORIS receivable at 31 March	9	(29,434)
42,307	Provision recognising the NHS Board's	13a	43,762
32,704	**Net Total Provision relating to CNORIS at**		**42,097**

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: http://www.clo.scot.nhs.uk/our-services/cnoris.aspx

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

14. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT LIABILITIES

The following contingent liabilities have not been provided for in the Accounts:

2024 £000	Nature	2025 £000
3,250	Clinical and medical compensation payments	4,991
818	Employer's liability	979
0	Third party liability	55
4,068	**TOTAL CONTINGENT LIABILITIES**	**6,025**

The contingent liabilities relate to amounts for potential liability in cases where claims have been lodged against the Board but NHS Central Legal Office consider the risk to be low.

The figures above do not include a constructive obligation arising from the review of band 5 nursing roles. The Cabinet Secretary agreed a review of band 5 nursing roles starting from 1 April 2024, and where nursing staff have been performing duties above their pay grade, posts will be regraded and any associated back pay will be honoured. Pay will be backdated to when the individual's duties changed or 1 April 2023 at the earliest. The cost of this will depend on the number of successful claims and the timing of backdated pay awards, both of which cannot be reliably estimated at this time.

CONTINGENT ASSETS

The following contingent assets have not been recognised in the Accounts:

2024 £000	Nature	2025 £000
2,645	Clinical and medical compensation payments	4,171
519	Employer's liability	703
0	Third Party liability	50
3,164	**TOTAL CONTINGENT ASSETS**	**4,924**

The contingent assets reflect the corresponding entitlement to recover the costs of settlement through the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) against the contingent liabilities detailed above.

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events, either adjusting or non-adjusting, occuring after the reporting period which had an effect on the Annual Report and Accounts for 2024/25.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

16. COMMITMENTS

Capital Commitments

The Board has the following Capital Commitments at 31 March which are not included in these Accounts:

2024 £000		Property, plant and equipment £000	2025 £000
	Contracted		
534	Community Hospital	0	0
750	Improving Access to Elective Care	0	0
1,284	**Total**	**0**	**0**
	Authorised but not Contracted		
2,986	Medical Equipment Replacement	1,379	1,379
275	Primary Care Modernisation	292	292
3,769	IM&T Strategy	4,070	4,070
623	Property Maintenance & Statutory Standards	2,026	2,026
687	Energy Efficiency	200	200
826	NHS Board corporate projects	1,196	1,196
0	Business Continuity Plan	1,300	1,300
9,166	**Total**	**10,463**	**10,463**

Other financial commitments

No non - cancellable contracts have been entered into by the Board.

Financial Guarantees, Indemnities and Letter of Comfort

No quantifiable Guarantees or indemnities have been entered into by the Board and no letters of comfort have been provided.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

17. (a) RIGHT OF USE ASSET (ROU) - CONSOLIDATED

		Buildings (excluding dwellings) 2025 £000	Transport Equipment 2025 £000	Total 2025 £000
Cost or valuation				
At 1 April 2024		6,357	1,629	7,986
Additions (include new dilapidation provisions)		0	1,104	1,104
Remeasurement		(126)	(52)	(178)
Revaluations		(220)	0	(220)
Revaluations - Peppercorn leases		200	0	200
Disposals - excluding peppercorn leases		(167)	(249)	(416)
At 31 March 2025		**6,044**	**2,432**	**8,476**
Depreciation				
At 1 April 2024		485	498	983
Provided during the year - (include new dilapidation provisions)		549	633	1,182
Provided during the year - peppercorn leases		28	0	28
Remeasurement		0	(14)	(14)
Revaluations		(312)	0	(312)
Revaluations - Peppercorn leases		(29)	0	(29)
Impairment charges - Peppercorn leases		(1)	0	(1)
Disposals - excluding peppercorn leases		(167)	(249)	(416)
At 31 March 2025		**553**	**868**	**1,421**
Net book value at 1 April 2024		**5,872**	**1,131**	**7,003**
Net book value at 31 March 2025	SoFP	**5,491**	**1,564**	**7,055**

17. (a) RIGHT OF USE ASSET (ROU) - PRIOR YEAR

		Buildings (excluding dwellings) 2024 £000	Transport Equipment 2024 £000	Total 2024 £000
Cost or valuation				
At 1 April 2023		6,571	962	7,533
Additions (include new dilapidation provisions)		0	876	876
Revaluations		(205)	0	(205)
Revaluations - Peppercorn leases		(9)	0	(9)
Disposals - excluding peppercorn leases		0	(209)	(209)
At 31 March 2024		**6,357**	**1,629**	**7,986**
Depreciation				
At 1 April 2023		242	259	501
Provided during the year - (include new dilapidation provisions)		546	448	994
Provided during the year - peppercorn leases		30	0	30
Revaluations		(303)	0	(303)
Revaluations - Peppercorn leases		(33)	0	(33)
Impairment charges - Peppercorn leases		3	0	3
Disposals - excluding peppercorn leases		0	(209)	(209)
At 31 March 2024		**485**	**498**	**983**
Net book value at 1 April 2023		**6,329**	**703**	**7,032**
Net book value at 31 March 2024	SoFP	**5,872**	**1,131**	**7,003**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

17. (b) Lease Liabilities

	Buildings 2025 £000	Transport 2025 £000	Total 2025 £000
Amounts falling due:			
Not later than one year	327	637	964
Later than one year, not later than 2 years	339	483	822
Later than two year, not later than five years	1,097	245	1,342
Later than five years	2,092	0	2,092
At 31 March 2025	**3,855**	**1,365**	**5,220**
Current	327	637	964
Non Current	3,528	728	4,256
	3,855	**1,365**	**5,220**

17. (b) Lease Liabilities - Prior Year

	Buildings 2024 £000	Transport 2024 £000	Total 2024 £000
Amounts falling due:			
Not later than one year	499	406	905
Later than one year, not later than 2 years	405	365	770
Later than two year, not later than five years	1,431	199	1,630
Later than five years	2,145	0	2,145
At 31 March 2024	**4,480**	**970**	**5,450**
Current	499	406	905
Non Current	3,981	564	4,545
	4,480	**970**	**5,450**

17. (b) Lease Liabilities

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2024-25	
	Consolidated £000	Board £000
Depreciation	1,210	1,210
Interest Expense	174	174
Non Recoverable VAT on lease payments	38	38
Remeasurement of ROU assets (gain)/loss to SOCNE	(164)	(164)
Total	**1,258**	**1,258**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Amounts recognised in the Statement of Cash Flows

	2024-25	
	Consolidated £000	**Board £000**
Interest Expense	174	174
Repayments of Principal of leases	902	902
Total	**1,076**	**1,076**

17. (b) Lease Liabilities - Prior Year

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2023-24	
	Consolidated £000	**Board £000**
Depreciation	1,024	1,024
Interest Expense	160	160
Non Recoverable VAT on lease payments	40	40
Remeasurement of ROU assets - (gain)/loss charged	3	3
Total	**1,227**	**1,227**

Amounts recognised in the Statement of Cash Flows

	2023-24	
	Consolidated £000	**Board £000**
Interest Expense	160	160
Repayments of Principal of leases	806	806
Total	**966**	**966**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

18. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

Clackmannanshire Community Healthcare Centre (CCHC) CCHC is a service concession for the development and right of use of Community Health Facilities (incorporating a Health Centre Building including accommodation for 3 GP practices, Associated Clinical Services and accommodation for local Health and Social Work Teams, a Mental Health Resource Centre, a Day Therapy Unit and 45 Inpatient Beds) and provision of services, including maintenance of the facility, under a Project Agreement. Certain facilities management services such as cleaning will be provided by the Board. Services commencement date was 18th May 2009 and the contract term ends in July 2037. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Forth Valley Royal Hospital (FVRH) is a service concession for the NHS Forth Valley development and right of use of a new Acute Hospital for Forth Valley (Forth Valley Royal Hospital (FVRH)) and associated provision of services including provision of facilities management services such as patient catering, portering, cleaning and maintenance . Services Commencement (handover of the facility to the Board) was in three phases May 2010, August 2010 and April 2011 and the accounting treatment is on-balance sheet. The duration of the agreement is for 30 years from practical completion to the end of the financial year in which the 30th anniversary occurs. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around volumes of patient catering supplied and usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Stirling Health and Care Village (SCV) - SCV is a service concession for the developement and right of use of Community Health and Care facilities which will bring together on one site a range of health, local authority and other partner organisation's services. These services include a 116 bed integrated care hub, accomodation for 3 GP practices, associated clinical services and accomodation for Minor Injuries Unit, Diagnostics, Community Nursing, GP Out of Hours and an ambulance station and workshop. The facility was handed over in three phases end of June 2018, October 2018 and October 2019 and the accounting treatment is on Balance sheet. Soft Facilities are provided by the Board including some hard FM services. The facility was delivered under the Hub initiative and the contract agreement is for 25 years ending in October 2044. The payment mechanism is incorporated in the project agreement and subject to annual adjustment in line with the Retail Price Index (RPI).

Under IFRIC 12 the assets are treated as assets of the Board and included in the Board's accounts as Non current assets. The liability to pay for the properties are in substance finance lease obligations. Contractual payments therefore comprise two elements for each asset; imputed finance lease charges and service charges. The imputed finance lease obligations are detailed below.

Total obligations under on-balance sheet PFI/PPP contracts for the following periods comprises:

Restated* 2024 £000	Gross Minimum Lease Payments	CCHC £000	FVRH £000	SCV £000	2025 £000
26,408	Rentals due within 1 year	1,618	22,586	2,557	26,761
26,408	Due within 1 to 2 years	1,618	22,586	2,557	26,761
79,224	Due within 2 to 5 years	4,854	67,758	7,670	80,282
346,575	Due after 5 years	12,944	271,032	38,348	322,324
478,615	**Total**	21,034	383,962	51,132	456,128

2024 £000	*Less* Interest Element	CCHC £000	FVRH £000	SCV £000	2025 £000
(14,458)	Rentals due within 1 year	(820)	(11,653)	(1,638)	(14,111)
(13,923)	Due within 1 to 2 years	(776)	(11,176)	(1,590)	(13,542)
(38,317)	Due within 2 to 5 years	(2,033)	(30,455)	(4,454)	(36,942)
(89,434)	Due after 5 years	(2,731)	(63,388)	(12,256)	(78,375)
(156,132)	**Total**	(6,360)	(116,672)	(19,938)	(142,970)

2024 £000	Present value of minimum lease payments	CCHC £000	FVRH £000	SCV £000	2025 £000
11,950	Rentals due within 1 year	798	10,933	919	12,650
12,485	Due within 1 to 2 years	842	11,410	967	13,219
40,907	Due within 2 to 5 years	2,821	37,303	3,216	43,340
257,141	Due after 5 years	10,213	207,644	26,092	243,949
322,483	**Total**	14,674	267,290	31,194	313,158

2024 £000	Service elements due in future periods	CCHC £000	FVRH £000	SCV £000	2025 £000
45,144	Rentals due within 1 year	2,368	42,060	716	45,144
46,473	Due within 1 to 2 years	2,541	44,860	753	48,154
147,666	Due within 2 to 5 years	8,231	146,252	2,387	156,870
788,425	Due after 5 years	30,795	832,772	16,604	880,171
1,027,708	**Total**	43,935	1,065,944	20,460	1,130,339
1,350,191	**Total commitments**	**58,609**	**1,333,234**	**51,654**	**1,443,497**

2024 £000		2025 £000
18,166	Interest Charges	14,656
36,799	Service Charges	45,144
13,931	Principal Repayment	12,105
68,896		71,905

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. The impact is a reduction in PFI liabilities of £65,486k and increase in service elements due in future periods of £245,784k.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

19. PENSION COSTS

The Board participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The valuation carried out as at 31st March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1st April 2019 to 31st March 2023. The UK Government since confirmed that these employer rates would remain in place until 31st March 2024. In addition, member pension contributions over the period to 30th September 2023 have been paid within a range of 5.2% to 14.7% and have been anticipated to deliver a yield of 9.6%. The valuation carried out as at 31st March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1st April 2024 to 31st March 2027. In addition, member pension contributions since 1st April 2024 have been paid within a range of 5.7% to 13.7% and have been anticipated to deliver a yield of 9.8%.

The Board has no liability for other employers obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Board is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1st April 2024 was 22.5% of pensionable pay. The employee rate applied is a variable and is anticipated to provide a yield of 9.8% of pensionable pay.

The Board's level of participation in the scheme is 4.1% based on the proportion of employer contributions paid in 2023-24.

For the current year, normal employer contributions of £65.314m were payable to the SPPA (prior year £55.470m) at the rate of 22.5% (prior year: 20.9%) of total pensionable salaries. In addition, during the accounting period the NHS board had increased costs of £354k (prior year increased costs £361k) arising from the early retirement of staff.

Provisions amounting to £4.447m are included in the Statement of Financial Position and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

The new NHS Pension Scheme (Scotland) 2015

From 1st April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2021/22 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

19. PENSION COSTS (Cont'd)

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31st March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1st April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1st April 2015 and join the 2015 scheme at a later date.

All other members automatically joined the NHS 2015 scheme on 1st April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk

National Employment Savings Trust (NEST)

The Pensions ACT 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of AutoEnrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270, but will be reviewed every year by the government. The initial contribution rate was 1% of qualifying earnings, with an employer contribution of 1%. This has been increased in stages to meet levels set by government as set out in the table below.

Date	Employee	Employer
1st March 2013	1%	1%
1st October 2018	3%	2%
1st October 2019	5%	3%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.

NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2024 £000	2025 £000
Pension cost charge for the year	55,470	65,314
Additional Costs arising from early retirement	361	354
Provisions/Liabilities included in the Statement of Financial Position	9,200	9,918

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

20. FINANCIAL INSTRUMENTS

A) FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

At 31 March 2025	Note	Financial Assets at fair value through OCI £000	Financial Assets at amortised cost £000	Financial Assets at fair value through profit/loss £000	Total £000
Assets per Statement of Financial Position					
Investments	10	0	0	4,017	4,017
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	11,236	0	0	11,236
Cash and cash equivalents	11	300	0	0	300
		11,536	**0**	**4,017**	**15,553**

BOARD

At 31 March 2025	Note	Financial Assets at fair value through OCI £000	Financial Assets at amortised cost £000	Financial Assets at fair value through profit/loss £000	Total £000
Assets per Statement of Financial Position					
Investments	10	0	0	1,088	1,088
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	11,316	0	0	11,316
Cash and cash equivalents	11	35	0	0	35
		11,351	**0**	**1,088**	**12,439**

CONSOLIDATED (Prior Year)

At 31 March 2024	Note	Financial Assets at fair value through OCI £000	Financial Assets at amortised cost £000	Financial Assets at fair value through profit/loss £000	Total £000
Assets per Statement of Financial Position					
Investments	10	0	0	4,114	4,114
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	10,834	0	0	10,834
Cash and cash equivalents	11	325	0	0	325
		11,159	**0**	**4,114**	**15,273**

BOARD (Prior Year)

At 31 March 2024	Note	Financial Assets at fair value through OCI £000	Financial Assets at amortised cost £000	Financial Assets at fair value through profit/loss £000	Total £000
Assets per Statement of Financial Position					
Investments	10	0	0	981	981
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	10,804	0	0	10,804
Cash and cash equivalents	11	48	0	0	48
		10,852	**0**	**981**	**11,833**

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

20. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

At 31 March 2025	Note	Liabilities at Fair Value through profit and loss £000	Financial Liabilities at amortised cost £000	Total £000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,220	5,220
PFI Liabilities	12	0	313,158	313,158
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	83,035	83,035
		0	**401,413**	**401,413**

BOARD

At 31 March 2025	Note	Liabilities at Fair Value through profit and loss £000	Financial Liabilities at amortised cost £000	Total £000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,220	5,220
PFI Liabilities	12	0	313,158	313,158
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	83,072	83,072
		0	**401,450**	**401,450**

CONSOLIDATED (Prior Year) Restated*

At 31 March 2024	Note	Liabilities at Fair Value through profit and loss £000	Financial Liabilities at amortised cost £000	Total £000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,450	5,450
PFI Liabilities	12	0	322,483	322,483
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	69,214	69,214
		0	**397,147**	**397,147**

BOARD (Prior Year)

At 31 March 2024	Note	Liabilities at Fair Value through profit and loss £000	Financial Liabilities at amortised cost £000	Total £000
Liabilities per Statement of Financial Position				
Finance lease liabilities	12	0	5,450	5,450
PFI Liabilities	12	0	322,483	322,483
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	0	69,063	69,063
		0	**396,996**	**396,996**

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. The impact is a reduction in PFI liabilities of £65,486k.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

20. FINANCIAL INSTRUMENTS, cont.

b FINANCIAL RISK FACTORS

Exposure to Risk

The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.

Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.

Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

a) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with an minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board. An expected credit loss of £89k continues to be provided in the accounts relating to the outstanding recovery of a cash advance paid to Community Pharmacy Contractors in January 2023. The expected credit loss represents 6.6% of the total outstanding receivable as advised by the Scottish Government.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

b) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025	**Less than 1 year £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
PFI Liabilities	12,650	13,219	43,340	243,949
Finance lease liabilities	964	822	1,342	2,092
Trade and other payables excluding statutory	96,849	0	0	0
Total	**110,463**	**14,041**	**44,682**	**246,041**

Restated* At 31 March 2024	**Less than 1 year £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**
PFI Liabilities	11,950	12,485	40,907	257,141
Finance lease liabilities	905	0	2,400	2,145
Trade and other payables excluding statutory	78,831	0	0	0
Total	**91,686**	**12,485**	**43,307**	**259,286**

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. The impact is a reduction in PFI liabilities of £65,486k.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

20. FINANCIAL INSTRUMENTS, cont.

c) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

i) Cash flow and fair value interest rate risk
The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign Currency Risk
The NHS Board is not exposed to foreign currency risk.

iii) Price risk
The NHS Board is not exposed to equity security price risk.

c FAIR VALUE ESTIMATION
The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

21. RELATED PARTY TRANSACTIONS

The Scottish Government Health and Social Care Directorate is the parent body of NHS Forth Valley and regarded as a related party with which the Board has had various material transactions during the year.

In Addition, NHS Forth Valley has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with HM Revenue & Customs (HMRC), Scottish Public Pensions Agency (SPPA) and other NHS Scotland Health Boards.

During the reporting period the Board had the following material transactions with NHS Greater Glasgow.

Due to £000	Due From £000	Expenditure With £000	Income From £000
7,572	849	59,735	2,076

All NHS Forth Valley Board members are considered Related Parties due to their position as key management personnel with responsibility for planning, directing and controlling the activities of the organisation. A full list of Board members and their employee benefits is detailed within the remuneration report.

The Board also had the following Related Party Transactions during the year:

NHS Forth Valley Endowment Fund is a registered charity accepting donations to complement the core work of NHS Forth Valley and enrich patient experience. A number of executive and non-executive directors of the Board are also Trustees of the Endowment Fund. The Endowment Fund balances are consolidated within the Board Annual Accounts.

The Falkirk Integration Joint Board (IJB) is a partnership between Falkirk Council and NHS Forth Valley with responsibility for the planning, resourcing and operational oversight of a wide range of health and social care services. A number of Board members are also members of the IJB. During the year the Board received payments from the IJB of £217,197k, and made payments to the IJB of £221,352k.

The Clackmannanshire and Stirling Integration Joint Board (IJB) is a partnership between Clackmannanshire Council, Stirling Council and NHS Forth Valley with responsibility for the planning, resourcing and operational oversight of a wide range of health and social care services. A number of Board members are also members of the IJB. During the year the Board received payments from the IJB of £202,426k, and made payments to the IJB of £207,368k.

Falkirk Council
Non Executive Director Fiona Collie is an elected member of Falkirk Council. Transactions during the year were as follows:

Due to £000	Due From £000	Expenditure With £000	Income From £000
801	878	34,603	3,997

Stirling Council
Non Executive Director David Wilson is an elected member of Stirling Council. Transactions during the year were as follows:

Due to £000	Due From £000	Expenditure With £000	Income From £000
3,302	3,457	14,641	2,588

Clackmannanshire Council
Non Executive Director Fiona Law is an elected member of Clackmannanshire Council. Transactions during the year were as follows:

Due to £000	Due From £000	Expenditure With £000	Income From £000
311	480	8,245	921

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

22. THIRD PARTY ASSETS

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts.

These are not Board assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	2024 £000	Gross Inflows £000	Gross Outflows £000	2025 £000
Monetary amounts such as bank balances and monies on deposit	230	154	(148)	236
Unclaimed dividends and unapplied balances	0	0	0	0
Securities	0	0	0	0
Other monetary assets	0	0	0	0
Total Monetary Assets	**230**	**154**	**(148)**	**236**

There are no significant assets or investments held at the year end.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Notes to the Accounts

For the Year Ended 31 March 2025

23a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

						Integration Joint Board (Joint Ventures)		
Consolidated 2024 £000		Note	Board 2025 £000	Endowments 2025 £000	Intra Group Adjustment 2025 £000	Falkirk IJB 2025 £000	Clackmannanshire & Stirling IJB 2025 £000	Consolidated 2025 £000
	Total income and expenditure							
422,571	Employee Expenditure	3	454,957	0	0	0	0	454,957
	Other operating expenditure	3						
105,531	Independent Primary Care Services		114,973	0	0	0	0	114,973
141,503	Drugs and medical supplies		159,886	0	0	0	0	159,886
633,076	Other health care expenditure		712,051	456	(456)	0	0	712,051
1,302,681	Gross expenditure for the year		1,441,867	456	(456)	0	0	1,441,867
(462,131)	Less: operating income	4	(488,238)	(408)	456	0	0	(488,190)
10,216	Associates and joint ventures accounted for on an equity basis		0	0	0	2,773	1,128	3,901
850,766	**Net Expenditure**		**953,629**	**48**	**0**	**2,773**	**1,128**	**957,578**

The endowment fund is a fully consolidated subsidiary.

The IJBs are accounted for as joint ventures and NHS Forth Valley accounts for a 50% share of the result for the year.

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. The impact is a reduction of £1,295k in Other Healthcare Expenditure affecting the PFI liability and reduction of £1,295k in Other Operating Income affecting the SGHSCD creditor.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

Forth Valley NHS Board

Notes to the Accounts

For the Year Ended 31 March 2025

23b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Restated* Consolidated 2024 £000		Note	Board 2025 £000	Endowment 2025 £000	Intra Group adjustment 2025 £000	Integration Joint Board (Joint Ventures) Falkirk IJB 2025 £000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB 2025 £000	Consolidated 2025 £000
	Non-current assets:							
604,710	Property, plant and equipment	SoFP	609,178	0	0	0	0	609,178
380	Intangible assets	SoFP	281	0	0	0	0	281
7,003	Right of Use assets	SoFP	7,055	0	0	0	0	7,055
	Financial assets:							
4,114	Investments	SoFP	1,088	2,929	0	0	0	4,017
15,562	Investments in associates and joint ventures	23a	0	0	0	7,857	3,804	11,661
27,956	Trade and other receivables	SoFP	7,171	0	0	0	0	7,171
659,725	**Total non-current assets**		**624,773**	**2,929**	**0**	**7,857**	**3,804**	**639,363**
	Current Assets:							
2,824	Inventories	SoFP	3,272	0	0	0	0	3,272
0	Intangible assets	SoFP	0	0	0	0	0	0
	Financial assets:							
33,852	Trade and other receivables	SoFP	43,734	32	(112)	0	0	43,654
325	Cash and cash equivalents	SoFP	35	265	0	0	0	300
0	Investments	SoFP	0	0	0	0	0	0
0	Derivatives financial assets	SoFP	0	0	0	0	0	0
0	Assets classified as held for sale	SoFP	0	0	0	0	0	0
37,001	**Total current assets**		**47,041**	**297**	**(112)**	**0**	**0**	**47,226**
696,726	**Total assets**		**671,814**	**3,226**	**(112)**	**7,857**	**3,804**	**686,589**
	Current liabilities							
(16,673)	Provisions	SoFP	(33,054)	0	0	0	0	(33,054)
	Financial liabilities:							
(107,992)	Trade and other payables	SoFP	(126,946)	(75)	112	0	0	(126,909)
0	Derivatives financial liabilities	SoFP	0	0	0	0	0	0
(124,665)	**Total current liabilities**		**(160,000)**	**(75)**	**112**	**0**	**0**	**(159,963)**
572,061	**Non-current assets plus / less net current**		**511,814**	**3,151**	**0**	**7,857**	**3,804**	**526,626**
	Non-current liabilities							
(62,639)	Provisions	SoFP	(42,924)	0	0	0	0	(42,924)
	Financial liabilities:							
(315,371)	Trade and other payables	SoFP	(304,764)	0	0	0	0	(304,764)
0	Liabilities in associates and joint ventures	23a	0	0	0	0	0	0
(378,010)	**Total non-current liabilities**		**(347,688)**	**0**	**0**	**0**	**0**	**(347,688)**
194,051	**Assets less liabilities**		**164,126**	**3,151**	**0**	**7,857**	**3,804**	**178,938**
	Taxpayers' Equity							
(31,717)	General fund	SoFP	(50,843)	0	0	0	0	(50,843)
206,917	Revaluation reserve	SoFP	214,969	0	0	0	0	214,969
15,562	Other reserves - joint venture	SoFP	0	0	0	7,857	3,804	11,661
3,289	Funds Held on Trust	SoFP	0	3,151	0	0	0	3,151
194,051	**Total taxpayers' equity**		**164,126**	**3,151**	**0**	**7,857**	**3,804**	**178,938**

*The 2024 balances have been restated to remove the impact of utility costs from the measurement of PFI liability under IFRS16. This resulted in a £64,191k reduction in the PFI liability with a corresponding increase in the General Fund relating to a correction to the cumulative catch up approach which was effective from 1st April 2023. The 2023 balances have also been restated as a comparison to show the net impact of PFI liability remeasurement at 1st April 2023, resulting in an increase of £55,551k in the PFI liability with a corresponding decrease in the General Fund.

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23c. CONSOLIDATED STATEMENT OF CASHFLOWS

Restated* Consolidated 2024 £000		Board 2025 £000	Endowment 2025 £000	Intra Group adjustment 2025 £000	Integration Joint Board (Joint Ventures) Falkirk IJB 2025 £000	Integration Joint Board (Joint Ventures) Clackmannanshire & Stirling IJB 2025 £000	Consolidated 2025 £000
	Cash flows from operating activities						
(850,766)	Net operating expenditure	(953,629)	(48)	0	(2,773)	(1,128)	(957,578)
13,720	Adjustments for non-cash transactions	23,891	0	0	2,773	1,128	27,792
18,477	Add back: interest payable recognised in net operating expenditure	14,967	0	0	0	0	14,967
(80)	Deduct: interest receivable recognised in net operating expenditure	(38)	0	0	0	0	(38)
(30,356)	Movements in working capital	22,813	(78)	0	0	0	22,735
(849,005)	**Net cash outflow from operating activities**	**(891,996)**	**(126)**	**0**	**0**	**0**	**(892,122)**
	Cash flows from investing activities						
(13,403)	Purchase of property, plant and equipment	(9,354)	0	0	0	0	(9,354)
(1,158)	Investment additions	(143)	(733)	0	0	0	(876)
1,099	Proceeds of disposal of property, plant and equipment	172	0	0	0	0	172
638	Receipts from sale of investments	0	847	0	0	0	847
80	Interest received	38	0	0	0	0	38
(12,744)	**Net cash outflow from investing activities**	**(9,287)**	**114**	**(0)**	**(0)**	**(0)**	**(9,173)**
	Cash flows from financing activities						
894,913	Funding	929,258	0	0	0	0	929,258
13	Movement in general fund working capital	(14)	0	0	0	0	(14)
894,926	**Cash drawn down**	**929,244**	**0**	**0**	**0**	**0**	**929,244**
(14,737)	Capital element of payments in respect of finance leases and on balance sheet PFI contracts	(13,007)	0	0	0	0	(13,007)
(151)	Interest Paid	(137)	0	0	0	0	(137)
(18,326)	Interest element of finance leases and on-balance sheet PFI / PPP	(14,830)	0	0	0	0	(14,830)
861,712	**Net Financing**	**901,270**	**0**	**0**	**0**	**0**	**901,270**
(37)	**Net Increase / (decrease) in cash and cash equivalents in the**	(13)	(12)	0	0	0	(25)
362	**Cash and cash equivalents at the beginning of the period**	48	277	0	0	0	325
325	**Cash and cash equivalents at the end of the period**	**35**	**265**	**0**	**0**	**0**	**300**
	Reconciliation of net cash flow to movement in net debt / cash						
(37)	Increase / (decrease) in cash in year	(13)	(12)	0	0	0	(25)
362	Net debt / cash at 1 April	48	277	0	0	0	325
325	**Net debt / cash at 31 March**	**35**	**265**	**0**	**0**	**0**	**300**

* 2024 figures have been restated to show PFI and lease non cash adjustments separately from capital repayments. The impact of this is a reduction of £16,139k in the capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts and reduction of £16,139k in adjustments for non-cash transactions.

The impact of utility costs has also been removed from the measurement of PFI liability under IFRS16, the impact of this is a £1,295k reduction in adjustments for non cash transactions and £1,295k reduction in movements in working capital.

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS Forth Valley by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS Forth Valley must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.

2. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must use the NHS Forth Valley Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.

3. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared –

   (a) The NHS Scotland Capital Accounting Manual,

   (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and

   (c) The Scottish Public Finance Manual.

4. A statement of accounts prepared by NHS Forth Valley in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.

5. NHS Forth Valley must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.

6. In these Directions –

   "financial year" has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

   "Government Financial Reporting Manual" means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

   "Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns" means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

   "NHS Act 1978" means the National Health Service (Scotland) Act 1978 (c. 29),

   "NHS Scotland Capital Accounting Manual" means the guidance on the application of accounting standards and practice to capital accounting transactions in the NHS issued by the Scottish Ministers,

Docusign Envelope ID: 5BBFA6CF-7D75-45D1-B636-5EA9F9084E21

NHS Forth Valley is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

"NHS Forth Valley Annual Accounts template" means the Excel spreadsheet issued to NHS Forth Valley by the Scottish Ministers as a template for their statement of accounts, and

"Scottish Public Finance Manual" means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.

8. This Direction will come into force on the day after the day on which it is signed.

9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.

Signed by the authority of the Scottish Ministers

Dated 22 March 2022